Alberta

Freedom To Create. Spirit To Achieve.

Municipal Affairs

Annual Report
2008-2009

Government of Alberta

PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 30, 2009, contains Ministers' accountability statements, the consolidated financial statements of the Province and *The Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Municipal Affairs contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report; and**
- **financial information relating to the Improvement Districts' Trust Account and the audited financial statements of the Special Areas Trust Account.**

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2009, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at August 29, 2009, with material, economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by:

Ray Danyluk
Minister of Municipal Affairs

CONTENTS

i Preface
ii Minister's Accountability Statement
2 Vision/Mission/Core Businesses and Goals
3 Message from the Minister
4 Management's Responsibility for Reporting

Overview

6 Entity Map
7 Operations and Services
10 Summary of Key Activities
16 Major Consultations
18 Legislative and Policy Changes
21 Future Challenges
23 Financial Highlights
24 Performance Measures Highlights

Results Analysis

26 Deputy Minister's Message
27 Review Engagement Report
28 Expense by Core Business
29 Expenses by Function
30 Goals, Results and Measures by Core Business
  30 Core Business One: Support the development and long-term sustainability of municipalities
  48 Core Business Two: Administer the safety system to support the development and maintenance of safe and viable communities
  54 Core Business Three: Manage the effective coordination of the provincial emergency management system
62 2008-09 Performance Measures Source and Methodology

Financial Information

71 Table of Contents Page for the Financial Information Section

Alphabetical List of Entities' Financial Statements in Ministry 2008-09 Annual Reports

Vision

Strong, safe and sustainable communities.

Mission

Provides programs and services that help ensure Albertans are served by accountable and effective local governments and live in strong and safe communities.

Core Businesses and Goals

The Ministry of Municipal Affairs delivers three core businesses:

Core Business One: **Support the development and long-term sustainability of municipalities**

Goal 1: A responsive, collaborative, accountable and well-managed local government sector which is sustainable

Goal 2: A well-managed, fair and efficient assessment and property tax system in which stakeholders have confidence

Goal 3: Municipal Government Board administers appeals and issues timely and impartial decisions of high quality

Goal 4: A province-wide public library network that provides access to quality information resources and other library services

Core Business Two: **Administer the safety system to support the development and maintenance of safe and viable communities**

Goal 5: A comprehensive system of safety codes and standards that provides an appropriate level of public safety

Core Business Three: **Manage the effective coordination of the provincial emergency management system**

Goal 6: A province-wide emergency management system that protects the people of Alberta, their property and the environment from the effects of emergency events

Message from the Minister

"As Minister of Municipal Affairs, it is my top priority to ensure municipalities continue to thrive by remaining strong and sustainable."

Alberta is made up of vibrant communities that Albertans are proud to call home. As Minister of Municipal Affairs, it is my top priority to ensure municipalities continue to thrive by remaining strong and sustainable.

Alberta's municipalities receive a level of support that is unmatched in the country. To foster strong communities throughout the province, Municipal Affairs remained committed to supporting municipalities through the Municipal Sustainability Initiative in 2008-09. This funding is positively affecting our communities and helping them plan for the future.

Libraries are also a key component of my mandate and an essential part of our strong communities. In 2008-09, I established an MLA committee to collaborate with library stakeholders and look at ways to provide more support to libraries so they can, in turn, better support Albertans. I am pleased to say that the ideas put forward by the committee will help build on a solid public library system that will continue to serve Albertans well into the 21st century.

In addition to promoting strong communities, the ministry is committed to ensuring Albertans are safe and secure. In 2008-09, Municipal Affairs finalized new building and fire codes based on technically-sound practices that will enhance safety and maintain affordability. These changes will buy time when there is a fire – for people to get out of their homes and for firefighters to respond.

Municipal Affairs also recognizes the important role first responders play in our province's emergency management system. By enhancing training, we ensure first responders have the confidence they need to do the job and the expertise they need to do it well.

As we move into 2009-10, I am proud to have the opportunity to continue to work with Albertans to sustain our strong communities.

Original signed by:

Ray Danyluk
Minister of Municipal Affairs

Management's Responsibility for Reporting

The Ministry of Municipal Affairs includes the Department of Municipal Affairs, the Municipal Government Board, the Safety Codes Council, the Special Areas Board, six Improvement Districts and the Alberta Emergency Management Agency.

The Department of Municipal Affairs consists of the Local Government Services Division, the Public Safety Division and the Corporate Strategic Services Division.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Municipal Affairs. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the Canadian generally accepted accounting principles for the public sector, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability - information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability - Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness - Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control that give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise, and the Minister of Municipal Affairs with any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act.*

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

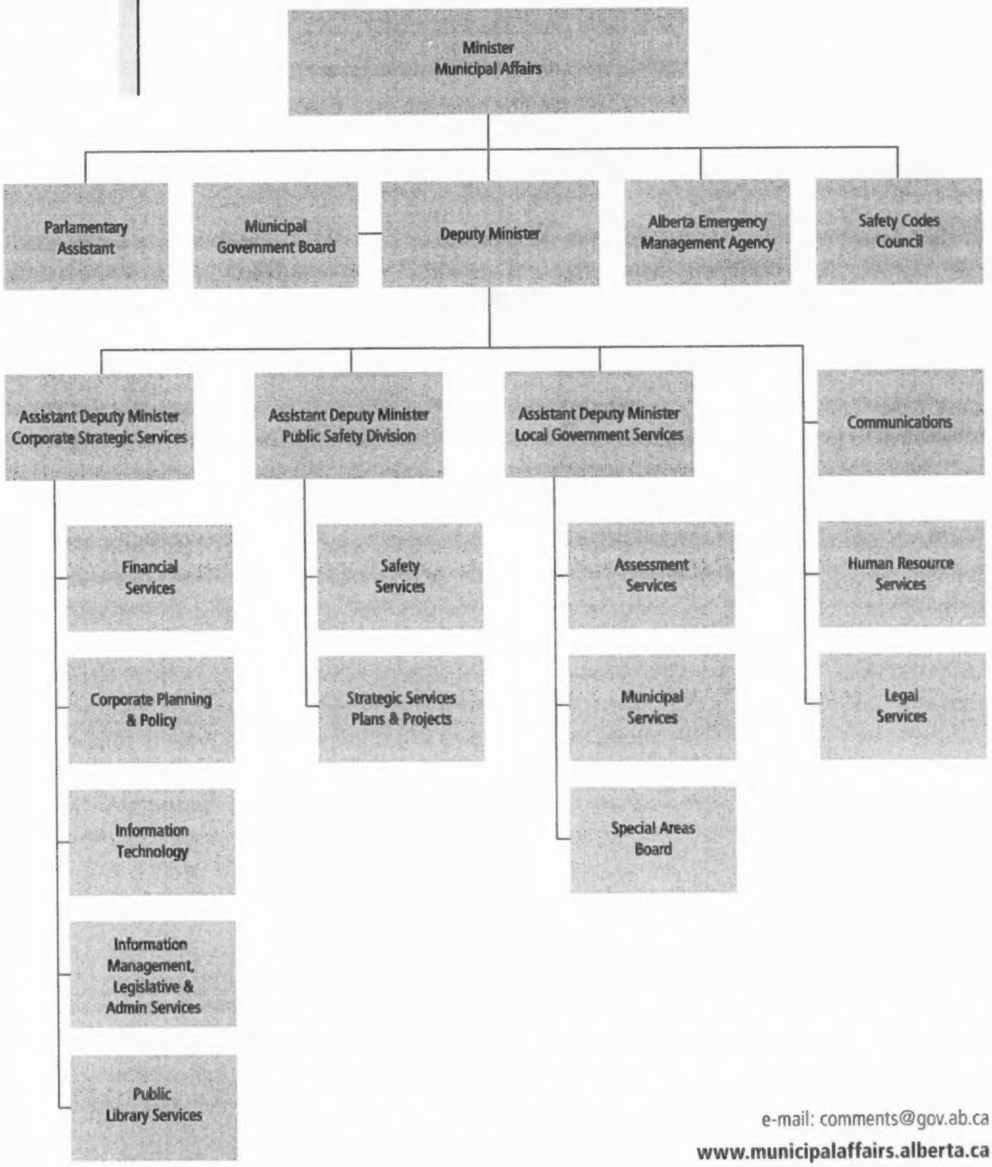
Original signed by:

Ray Gilmour
Deputy Minister, Municipal Affairs
August 31, 2009

OVERVIEW

Entity Map

Ministry of Municipal Affairs Functional Organization as of March 31, 2009


Minister Municipal Affairs
Parlamentary Assistant
Municipal Government Board
Deputy Minister
Alberta Emergency Management Agency
Safety Codes Council
Assistant Deputy Minister Corporate Strategic Services
Assistant Deputy Minister Public Safety Division
Assistant Deputy Minister Local Government Services
Communications
Financial Services
Corporate Planning & Policy
Information Technology
Information Management, Legislative & Admin Services
Public Library Services
Safety Services
Strategic Services Plans & Projects
Assessment Services
Municipal Services
Special Areas Board
Human Resource Services
Legal Services

e-mail: comments@gov.ab.ca

www.municipalaffairs.alberta.ca

Operations and Services

The Ministry of Municipal Affairs includes the Alberta Emergency Management Agency, the Municipal Government Board, the Safety Codes Council, the Department of Municipal Affairs, the Special Areas Board and six Improvement Districts.

The Alberta Emergency Management Agency

The Emergency Management Agency's mission is to create a province-wide fire, search and rescue, and emergency management system that protects Albertans, their property, the environment, and the economy from the effects of emergency events.

The Alberta Emergency Management Agency works with fire and emergency management partners to protect Albertans in emergencies. It provides strategic policy direction and leadership to Alberta's fire and emergency management system. Together, through collaboration and cooperation it coordinates programs and initiatives that collectively reduce the impacts of emergency events in Alberta.

The *Emergency Management Act* governs the agency and gives it the authority to act in an emergency. The agency works under two regulations:

- the Disaster Recovery Regulation, which allows the agency to provide financial assistance to people affected by disasters; and
- the Government Emergency Management Regulation, which deals with mitigation and response strategies for individual and multi-department business disruptions.

Both provincial and federal resources are used through cost sharing arrangements as a means of ensuring costs for disasters are shared by all Canadians.

Municipal Government Board

The Municipal Government Board conducts independent, quasi-judicial adjudication functions required by the *Municipal Government Act* with respect to property assessment appeals, linear property assessment complaints, equalized assessment appeals, subdivision appeals, annexation recommendations, intermunicipal disputes and other matters referred to the Board by the Minister of Municipal Affairs or Lieutenant Governor in Council.

Safety Codes Council

The Safety Codes Council (SCC) is a corporation established under the *Safety Codes Act*, responsible to the Minister of Municipal Affairs. It is comprised of industry stakeholders with expertise in the codes and standards discipline areas to which the act applies. The SCC is responsible for the safety systems as set out in its statutory and delegated responsibilities. These responsibilities include assisting the government in the formulation of safety codes and standards throughout Alberta, training and certifying safety codes officers, delivering public safety programs available to industry and communities and administering a province-wide electronic permit system.

Department of Municipal Affairs

The Department of Municipal Affairs consists of the Local Government Services Division, the Public Safety Division and the Corporate Strategic Services Division.

Local Government Services Division

The Local Government Services Division provides support and advice to municipalities to help them develop sustainable and effective local government for Albertans.

Services focus on increasing municipal capacity and assisting municipalities to respond to growth-related challenges. The division provides advisory support, training and internship programs, and other tools in support of enhanced municipal sustainability. As well, the division administers numerous grant programs, including the Municipal Sustainability Initiative, which provides an unprecedented 10-year funding commitment to municipalities.

The division also supports the implementation of strategic initiatives such as the Land-use Framework, Capital Region Growth Plan, and Calgary Regional Partnership. Municipal co-operation is a further priority of the division, which is fostered through land-use planning assistance and mediation programming.

In addition, the division oversees the policies and procedures for the assessment of property in Alberta; reviews and audits municipal assessments; assesses linear property (such as oil and gas wells, pipelines, electric power generation and telecommunication systems) for Alberta municipalities; and oversees the annual process involved in determining each municipality's share of the education property tax. The division also provides assistance and advice to municipalities on assessment and tax-related issues.

The Special Areas Board also reports to this division. The Special Areas Board is appointed by the Lieutenant Governor in Council and is responsible for the management and administration of 2.86 million acres of public land located in southeast Alberta and the provision of municipal services to the residents of these areas, including: the maintenance and construction of local roads; the maintenance of parks; the provision of water services; public land management (grazing, cultivation, and oil and gas development); emergency and protective services; and rural stabilization and economic development.

The division also administers six Improvement Districts, which provide limited municipal services, primarily in the National Parks. The provincial government, through Municipal Affairs, is responsible for all functions of local government in the improvement districts, including the levy and collection of taxes.

Public Safety Division

The Public Safety Division sets a framework of safety codes and standards and assists municipalities with promoting the safe construction, operation and maintenance of buildings, facilities and associated equipment. This includes administering the *Safety Codes Act*, which establishes codes, standards and administrative processes in 10 disciplines, including: pressure equipment; building; fire; plumbing; gas; electrical; elevators; amusement rides; passenger ropeways (ski lifts); and private sewage disposal systems. The division also represents the Government of Alberta in the development of national and international codes and standards; provides technical advice and program support to municipalities, industry and the public; and works with the Safety Codes Council to assist and monitor municipalities, corporations and other organizations that have delegated authority to administer safety codes and standards. The Public Safety Division is also the third largest provider of permit and inspection services in the Province. This work is concentrated in municipalities that have chosen not to deliver these services and is provided by agencies under contract with Municipal Affairs.

The Public Safety Division also delivers the Tank Site Remediation Program, which is designed to help municipalities and other eligible owners of current or former retail gas station sites clean up contamination caused by leaking underground petroleum storage tanks.

Corporate Strategic Services Division

The Corporate Strategic Services Division is responsible for the Ministry's information technology, financial planning and reporting, and strategic corporate policy functions. The division also manages business planning, performance measurement, environmental scanning, enterprise risk management, legislative planning, and information access and privacy protection.

This division also includes the Public Library Services Branch, which supports the province-wide public library system and information network. This work includes supporting access to library service for all Albertans, providing funding assistance and establishing a province-wide network for communications and shared library resources.

Support Services

Staff from specialized areas support the department in achieving its business plan goals, strategic policy support and development, and strategic planning. Services include the provision of legal advice regarding the Ministry's acts and regulations, legal representation before the courts and various administrative tribunals, human resources and communicating information to Albertans.

Shared Services

Municipal Affairs continues to support Service Alberta through the purchasing of administrative, information technology, financial and human resource processing services. The Ministry also supports Service Alberta by providing strategic administrative and legal services through a shared services agreement.

Summary of Key Activities

Municipal Affairs was involved in numerous activities during 2008-09, as demonstrated in the Results Analysis section of this report. The following information outlines the main program initiatives and significant accomplishments, as well as the major consultations and legislative changes that took place during the year.

Municipal Sustainability Initiative

Announced in 2007, the Municipal Sustainability Initiative is the Province of Alberta's 10-year funding commitment to enhance municipal sustainability and enable municipalities to meet the demands of growth. Under this initiative, municipalities received $500 million in provincial funding in 2008-09. Of this, $45.3 million was allocated to conditional operating projects and the remainder to qualifying capital projects.

Qualifying capital projects include municipal roads, bridges, public transit, water and wastewater systems, emergency services facilities and equipment, solid waste management facilities and equipment, regional and community airport facilities and equipment, and other municipal buildings and facilities such as recreational and sports facilities, libraries, public works buildings and cultural/community centres. Qualifying operating projects include planning activities, municipal administration, municipal services, and assistance to non-profit organizations and libraries.

In the fall of 2008, the ministry hosted five Municipal Sustainability Initiative information sessions across the province to support municipal administrative staff involved in the planning and funding of operating and capital projects. These sessions assisted municipalities in understanding how Municipal Sustainability Initiative funding can be used to address growth pressures and long-term infrastructure needs.

Accountability Framework

Municipal Affairs established and chaired a cross-ministry Deputy Ministers' Committee, involving 12 ministries, to oversee the development of an Accountability Framework. The purpose of the framework is to ensure that provincial funds provided to municipalities are used to meet agreed upon government-wide objectives and that value-for-money is being achieved.

New government-wide objectives for municipal grant funding were proposed by a cross-ministry working committee. These objectives are broad statements that align with the government's priorities and goals, and describe the purpose of municipal grant funding across government. Broader than ministry or program objectives, the government-wide objectives are relevant across ministries and can be used to measure and report on the progress of achieving intended results for municipal grant funding.

A template for a government-wide report on municipal grant funding was also developed and recommended to become an annual report. A 2009 Municipal Financial Assistance Key Dates Calendar was also produced in response to feedback received from municipal stakeholders.

MLA Committee on the Future of Public Library Service in Alberta

In the fall of 2008, the MLA Committee on the Future of Public Library Service visited 10 communities throughout Alberta, consulting with some 300 Albertans on the state and needs of public library service in Alberta. The MLA Committee submitted its report, *Framework for the Future: Positioning Alberta Libraries for the 21st Century*, to the Minister of Municipal Affairs in January of 2009. The report, along with the government response, was released April 16, 2009.

Support for Implementation of the Land-use Framework

The Ministry participated in several activities and working committees in support of the development of the province's Land-Use Framework. The final framework report was released by Alberta Sustainable Resource Development on December 3, 2008. Municipal Affairs has supported its implementation by participating in new regional planning teams for the Lower Athabasca and South Saskatchewan regions, the initiative to promote the efficient use of land, a social indicator workshop and modeling exercise, and the review of legislation in support of the Land-use Framework.

The Ministry co-leads, along with Alberta Agriculture and Rural Development, a policy review on loss and fragmentation of agricultural land. The Ministry also prepared and distributed an information bulletin to municipalities to provide important information about the Land-use Framework. The framework sets out strategies - including the development of regional land-use plans - to better manage public and private lands and natural resources in Alberta.

In co-operation with Sustainable Resource Development, the Ministry identified sections of the *Municipal Government Act* (MGA) which require amendment to harmonize with the Land-use Framework policies. The amendments would ensure that the MGA aligns with the new legislation required to bring the framework into effect. The amendments would also allow the Minister to take additional steps in order to ensure compliance if a municipality does not comply with regional plans.

Capital Region Board

On April 15, 2008, the province enacted a regulation to establish the Capital Region Board (CRB), composed of mayors and reeves from the 25 municipalities in Alberta's Capital Region.

The Board was created in response to a report provided to the Premier in December 2007 called *Working Together - Report of the Capital Region Integrated Growth Management Plan Project Team*. The Board was given a mandate to develop an overall growth plan by the spring of 2009, with a focus on four main priority areas: regional land-use planning, intermunicipal transit planning, development of a regional geographical information system, and strategic planning for affordable and social housing. The Government of Alberta provided $3.25 million in funding to the board for 2008-09, and has committed to $3 million per year for 2009-10 and 2010-11 to assist with start-up and ongoing operational costs of the CRB.

During the summer of 2008, the Ministry facilitated work by the Capital Region Board to develop and propose a model for the allocation of costs among member municipalities for projects determined by the board to be regional in nature. The CRB recommended a regional cost allocation model, and the Minister accepted the proposed formula on December 15, 2008. The Ministry also provided the Transitional Regional Evaluation Framework, which set out the criteria for the Board to apply in evaluating new municipal statutory plans and statutory plan amendments during the time that the Capital Region Growth Plan was under development.

The Board submitted the Capital Region Growth Plan (CRGP) to the Government of Alberta within the established timelines. In response, the Ministry initiated a review process and established a committee consisting of several provincial ministries to contribute to the development of the Government of Alberta's response to the CRGP.

Agency Response Readiness Centre

In June 2008, the Agency Response Readiness Centre (ARRC) opened in Edmonton, within the Government of Alberta Emergency Operations Centre. The ARRC serves as a communication and response co-ordination centre and is a central point for the collection, evaluation and dissemination of information concerning an emergency event. Efforts to maintain the operational readiness of the Government of Alberta Emergency Operations Centre resulted in three separate exercises being conducted by government staff:

1) Foreign animal disease outbreak exercise – this exercise focused on what government would do in the event of an animal disease outbreak. The exercise included participation from all three levels of government (municipal, provincial and federal).
2) Response to a terrorist attack exercise – this exercise focused on the response to a terrorist bomb on a rail car that explodes as it is crossing the Alberta-Montana border. This exercise highlighted the difficulties in coordinating a multijurisdictional/international incident.
3) Winter storm exercise – the main goal of this exercise was to ensure that all government departments had an opportunity to bring their primary and alternate staff up-to-date on the policies and procedures that are used in the Government of Alberta Emergency Operations Centre during a major event.

Residential Construction Practices Consultations

In April 2008, Thomas Lukaszuk, the Parliamentary Assistant for Municipal Affairs, was mandated by the Minister of Municipal Affairs to lead a consultation on residential construction building practices in the province.

The MLA-led committee was struck in May 2008. In the summer and fall of 2008, the Committee on Residential Construction Practices met with stakeholders to discuss and gain input on building envelope concerns and possible solutions. The participating stakeholders represented a cross-section of industry associations, municipalities and home warranty companies involved in various aspects of the home building process. Municipal Affairs is committed to working closely with municipalities, the Safety Codes Council, builders' associations and the home warranty programs to ensure that new homes are being built to the standard Albertans expect and deserve.

Trade Investment Labour Mobility Agreement (TILMA)

The Trade Investment Labour Mobility Agreement (TILMA) between the Alberta and British Columbia governments came into force on April 1, 2009. Municipal Affairs regulates four occupations that are affected by TILMA: Pressure Welders, Power Engineers, Private Sewage System Installers and Master Electricians. In 2008-09, the Ministry worked on negotiating labour mobility agreements with B.C. for these four occupations. Workers in these occupations will now be recognized to practice in Alberta and B.C. without any additional material reassessment, retraining or reexamination.

Calgary Regional Partnership

The Calgary Regional Partnership is a voluntary organization of 17 municipalities and one First Nation that has taken on responsibility for developing a land-use plan for the Calgary region. The Ministry has provided funding to support this initiative, including an additional grant of $250,000 in 2008. The partnership undertook public consultation on a draft plan in March 2009 and ratified the plan at its general assembly in June 2009. The Ministry will be working with the Calgary Regional Partnership around the specifics of how to give formal status to the partnership and the regional plan.

Municipal Excellence Network (MEnet) and Minister's Awards

The seventh annual Minister's Awards for Municipal Excellence, for exceptional municipal practices in five categories, were presented at conventions of the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties.

In addition to the long-standing categories of Innovation, Partnership, Smaller Municipalities and Outstanding Achievement, a Safe Communities category was added by the Minister in accordance with provincial priorities identified by Premier Stelmach earlier in the year. Alberta's safe communities are a source of pride for residents and a beacon for newcomers. In 2008, the Minister recognized the City of Red Deer's Drinking Establishment Licensing Bylaw for the inaugural award. In total, 24 municipalities and 34 affiliated organizations were presented with awards and honourable mentions.

Municipal Internship Program

Comprehensive training was provided to recent post-secondary graduates through an internship program that assists municipalities in addressing their succession planning needs for administrators and land-use planners. Fifteen interns were placed in 16 municipalities under the 2008-09 Municipal Internship Program for Administrators, which trains and develops administrative leaders for the future. Nine interns were placed in eight municipalities and two planning service agencies through the 2008-10 Municipal Internship Program for Land-Use Planners, which helps address the growing demand for professional planners. Five interns continued their second year under the 2007-09 planning program in four municipalities and one planning service agency.

Both streams of the program assist the host organizations through a grant to cover some of the intern's wages and expenses.

Municipal Sponsorship Program

The Municipal Sponsorship program continued to assist Alberta municipalities by providing grants for projects that promote innovation, excellence and co-operation in improving municipal governance or administration, enhancing municipal services or service delivery and/or increasing intermunicipal co-operation. The program is for municipalities with populations of up to 20,000. A total of 306 applications were approved, with grants totalling $14.3 million awarded.

High-Intensity Residential Fires Working Group: Changes to the Alberta Building and Fire Codes

In May 2008, the Alberta government accepted 18 recommendations from the High-Intensity Residential Fires Working Group, created by the province to examine ways to reduce the incidence and impact of major residential fires.

The government committed to take action to: increase public education to give Albertans information to prevent fires; improve the Alberta Fire Code to help prevent arson and to improve construction site fire safety practices; and update the Alberta Building Code to enhance fire safety requirements for homes built closely together.

The Fire Code was updated and came into effect on March 11, 2009, to help prevent High Intensity Residential Fires from starting on construction sites and spreading to nearby buildings. The new Building Code was updated and came into effect on May 3, 2009. When there is a fire, these changes will buy time for people to get out of their homes and for firefighters to respond. The changes, which were adopted two years before the national code cycle, strike a balance between safety, affordability and technically sound practices.

Safety Codes Act Review

The *Safety Codes Act* has governed the safety of Alberta's built environment since 1994. To ensure Alberta's safety system remains strong, a review of this act has been initiated to address the authority provided under the act, its connection to other legislation, safety service delivery and enforcement mechanisms.

The *Safety Codes Act* review will consider:

- Options for assisting municipalities with their safety system administration responsibilities;
- Statutory implementation of the new governance and accountability framework for the Safety Codes Council;
- Improvements to the code adoption processes;
- Ensuring flexibility in the *Safety Codes Act* to respond to emerging and future provincial or societal trends and goals;
- Clarifying authority for various areas of safety system administration; and
- Making necessary updates and clarifications to the *Safety Codes Act*.

Property Assessment Complaints and Appeals System

In response to stakeholder concerns, the Ministry conducted a review of the property assessment complaints and appeals system in the past year. Consultation took place from July to mid-September of 2008, with sessions held in Calgary and Edmonton, and a consultation workbook provided on the Ministry's website for input from all stakeholders. During the review, stakeholders provided comments related to the processing of assessment complaints and appeals, specifically with respect to timeliness, duplication, accountability, consistency of decisions, access to information and qualifications of those involved in decision-making.

As a result of the review, Bill 23 (the *Municipal Government Amendment Act,* 2009) was introduced to the Legislature in the spring of 2009. The Bill was developed to implement structural, process and procedural changes needed to increase the effectiveness of the system. The amendments to the MGA will create a one-level appeal system and implement a number of process-related enhancements, such as improved access to information, standardized reporting, mandatory training and a more structured approach to setting fees.

Energy Efficiency

Public concern over climate change has led government to investigate energy efficiency standards for buildings. The need to promote energy efficiency for homes and other buildings is highlighted in Alberta's Climate Change Strategy, approved by Cabinet in January 2008. The strategy recommends that government adopt energy efficiency measures for residential and commercial buildings. Alberta will join other provinces that have chosen to regulate energy efficiency under their provincial building codes. A cross-ministry working group has been established to develop and implement a plan for the adoption of energy codes for buildings and houses.

Assistance in Dispute Resolution and Collaborative Governance

In 2008, the Ministry celebrated the tenth anniversary of the Municipal Dispute Resolution Initiative. In the past decade, this program has helped facilitate 77 mediations which have involved more than 100 neighbouring municipalities and municipal authorities, with a success rate of more than 95 per cent.

The program's scope was broadened in the past year to provide support to municipalities that wish to jointly negotiate and design protocols for intermunicipal co-operation. The initiative earned a silver Premier's Award of Excellence in 2008 (adding to bronze awards received in 2000 and 2002), and a Canada Award for Excellence from the National Quality Institute.

Reclaimed Water Working Group

The Ministry is leading the Reclaimed Water Working Group, comprised of representatives from Alberta Environment, Health and Wellness and Transportation. The working group has been tasked with developing and implementing a management framework that facilitates the safe use of reclaimed water for domestic purposes in Alberta. The management framework will establish water quality and technical standards, and require revisions to current regulations. This initiative supports the government's Water for Life Strategy, which commits the province to improving its overall water efficiency and productivity by 30 per cent from 2005 levels by 2015.

Major Consultations

Regional Consultations on Municipal Sustainability

In August 2008, the Minister met with a total of 473 municipal officials and staff from 247 municipalities in Alberta to discuss municipal sustainability. A series of nine consultation sessions were held in Taber, Claresholm, Airdrie, Stettler, Rocky Mountain House, Nisku, Grande Prairie, Barrhead and Two Hills.

At each session, the discussion centred around two key questions:

- What are the biggest challenges facing your community?
- What changes are needed today in order for communities in Alberta to be strong 50 years from now?

Each participant was also given the opportunity to identify the most important concern for their community today and in the long term. Although a range of challenges and solutions were brought forward by the municipalities at each session, there was a remarkable degree of consistency throughout the province.

Municipalities indicated that greater regional co-operation and communication among municipalities, improved long-term planning and sustainable funding and better access to training and advice were key to their long-term sustainability.

Accountability Framework

In developing the Accountability Framework, which will ensure that provincial funds provided to municipalities are used to meet agreed upon government-wide objectives, comments were requested from internal stakeholders, represented by the 12 provincial ministries that directly provide funding to municipalities and external stakeholders, including municipal associations, some municipalities and the Métis Settlements General Council. Input was also sought from additional internal government stakeholders such as the Office of the Auditor General, Corporate Internal Audit Services and Service Alberta.

Cross-ministry consultations included an assessment of grant programs against the draft framework, which was piloted in seven participating ministries between October and December 2008. Municipal stakeholders suggested tools to assist municipalities in meeting grant program requirements, which resulted in the ministry producing the 2009 Municipal Financial Assistance Key Dates Calendar.

MLA Committee on the Future of Public Library Service in Alberta

The Minister commissioned an MLA Committee on the Future of Public Library Service in August 2008. The MLA Committee was asked to recommend specific actions by which the Government of Alberta can support libraries within the ideas of: building on the established base of library service; promoting collaboration and innovation; and capitalizing on technology. The MLA Committee members attended 10 consultation sessions throughout Alberta during September and October 2008. The committee presented its report, *Framework for the Future: Positioning Alberta Libraries for the 21st Century*, to the Minister in January 2009. The report, along with the government response, was released April 16, 2009.

Information Sessions on the Calgary International Airport Vicinity Protection Area Regulation

The regulation that governs land-use and development near the Calgary International Airport is being updated by the Ministry in collaboration with the cities of Calgary and Airdrie, Rocky View County and the Calgary Airport Authority. The Ministry held information sessions in March 2009 to provide the public with an opportunity to learn about, ask questions and provide feedback on the proposed new Calgary International Airport Vicinity Protection Area Regulation. Most attendees wished to discover how their properties would be affected by the proposed regulation, and staff responded with the relevant details. The proposed regulation is expected to be considered by government in 2009.

Construction Cost Reporting Guide

In the fall of 2008, the Ministry conducted a consultation to discuss the Construction Cost Reporting Guide (CCRG). Representatives from industry and municipalities were invited to discuss the areas of the CCRG that are fulfilling their purpose and offer suggestions to improve the valuation process. The feedback from stakeholders is under consideration, and recommendations are being developed for the next steps in the consultation process. The CCRG is the foundation of the process that determines the amount of property taxes paid on machinery and equipment in the province.

Well Drilling Equipment Tax

In February 2009, the Ministry conducted a consultation on the Well Drilling Equipment Tax (WDET), giving industry and municipal stakeholders an opportunity to discuss the tax. The feedback from stakeholders is under consideration, and the next steps in the consultation process are being determined. The WDET is a one-time tax that can be charged by municipalities in connection with the drilling of an oil or gas well to help in offsetting costs of repairing road damage from welling-drilling equipment and activity. A municipality must pass a bylaw in order to charge this tax.

Alberta Emergency Partners' Symposium

In February 2009, the Ministry conducted a Government of Alberta Emergency Partners' Symposium. This one-day session, conducted by the Alberta Emergency Management Agency was the first of its kind and confirmed that participants understood the emergency roles played by the various ministries, and to start a process of interaction between ministries.

Stakeholder Summit

The Ministry, through the Alberta Emergency Management Agency, is investing heavily in the creation of a province-wide cross-sectoral system of emergency management. During a Stakeholder Summit held in 2008, over 300 Albertans involved in various aspects of managing emergencies gathered for a two-day networking and orientation session. This marked one of the largest cross-sector gatherings ever conducted.

Regional Consultation Forums

In March and April 2008 the Ministry, through the Alberta Emergency Management Agency, lead regional consultation forums at 14 different communities. During the forums, the Alberta Emergency Management Agency presented updated information on activities, roles and responsibilities and key initiatives of the Government of Alberta relating to emergency management. Participants then shared successes and struggles, and ideas for better managing emergency situations.

Legislative and Policy Changes

- The Capital Region Board Regulation (AR 49/2008) established the Capital Region Board, along with the powers and duties of the Board, and set out the objectives and required contents of the Capital Region Growth Plan. The regulation was approved by the Lieutenant Governor in Council on April 15, 2008. As well, several Ministerial Orders were enacted to support the Capital Region Board Regulation. These included orders for the appointment of the Interim Board Chair, Mr. Christopher Sheard, authority for the chair to develop interim bylaws respecting the conduct and affairs of the Board, and the establishment of a Transitional Regional Evaluation Framework to govern Board reviews of new statutory plans and plan amendments to ensure consistency with long-term regional interests.
- Bill 41, the *Municipal Government Amendment Act,* 2008 (No. 2) broadens the permitted uses for surplus school sites to include fire halls, police stations, libraries, daycares and affordable housing. This legislative change responded directly to recommendations of the Affordable Housing Task Force. The amendments allow municipalities to designate school sites that have been declared surplus by school boards and the Minister of Education as "community services reserve," and to use the land for purposes permitted under this new category of reserve. The bill was introduced in fall 2008. It

is anticipated that in the next year, Royal Assent will be provided to the bill upon Cabinet review and Lieutenant Governor in Council approval of Alberta Education's Disposition of Property Regulation.

- Bill 23, the *Municipal Government Amendment Act*, 2009, was introduced to the Legislature in the spring of 2009 as a result of the general review of Alberta's assessment complaints and appeals system. The amendments to the MGA will implement structural, process and procedural changes to increase the effectiveness of the system.

  The legislative changes focus on:

  - a process to ensure province-wide consistency, transparency and fairness while enhancing the efficiency of the complaints and appeals process;
  - increased access to information for taxpayers to improve accountability and transparency; and
  - mandatory training for all board members and board administrators.

  The changes to the assessment complaints and appeals system will come into effect in January 2010.
- Bill 16, the *Municipal Government Amendment Act*, 2008, clarified existing government policy on assessment and taxation of pipelines. The amendments clarified the terms "capable of being used" and "construction" in section 291 of the *Municipal Government Act* as they relate to pipeline assessment.
- The Community Organization Property Tax Exemption Regulation (AR 281/1998) was amended, following a consultation in June 2008, to make administrative changes and extend the expiry date to January 31, 2010. In response to stakeholder feedback, the term "subsidized accommodation" was defined and references to "community" were replaced with "municipality" in parts of the regulation. This regulation provides criteria and a process to support municipalities faced with making a decision on granting a property tax exemption under section 362(1)(n) of the *Municipal Government Act* for eligible organizations.

New regulations were enacted in 2008-09 as follows:

- The Assessment Complaints Fee Regulation sets limits on the fees that municipalities can charge taxpayers to lodge a complaint about their property tax assessment. The limit was applied to ensure that these fees continue to be fair and allow property taxpayers to be able to access the assessment complaints system. Previously, there were no restrictions on the amounts set by municipalities to file complaints.
- The Proceedings Before the Board Clarification Regulation clarifies that a hearing before the Municipal Government Board is a hearing *de novo*. This regulation was required to clarify existing policy and maintain the status quo for hearings before the board pending the result of the assessment complaints and appeals review.

Other regulatory amendments or re-enactments in 2008-09 were as follows:

- The Municipal Affairs and Housing Grants Regulation was amended to provide the province with the ability to pay a grant in place of taxes for certain qualifying seniors' housing facilities, and to extend the regulation's expiry date to March 31, 2010.

- The Assessment Complaints and Appeals Regulation, which provides for the timelines and disclosure procedures to be utilized for a property assessment complaint, was re-enacted for one year until December 31, 2009, when it is anticipated that the new assessment complaints and appeals regulation will be implemented.
- The Extension of Linear Property Regulation was re-enacted with an amendment that exempts small "micro generators" from taxation as linear property. This regulation ensures that all electrical generating facilities that are tied into the provincial grid are assessed and taxed as linear property.
- The Electric Energy Generation Exemption Regulation was re-enacted and provides the Minister with the authority to exempt electric power systems intended for or used in the generation of electricity from paying the requisition for education tax as per section 326(a)(ii) of the MGA.
- Minor amendments were made to the SuperNet Assessment Regulation, which sets out an exemption from assessment and taxation for the government-used portion of the SuperNet extended area network to clarify information submission dates for the users of the SuperNet network.
- The Special Areas Service Fees Regulation was amended to update public land lease and permit fees policy and renewed with a new expiry date. The amendment ensures that public lands fee policy in the Special Areas is current.
- The Special Areas Disposition Regulation was re-enacted and its expiry date was extended. The regulation sets out policy for the leasing and permitting of public lands for agricultural purposes and for surface mineral leases to provide access for well sites and pipeline corridors.
- Updated safety codes and standards that are adopted under the Pressure Equipment Safety Regulation, Passenger Ropeways Regulation and Elevating Devices Codes Regulation. Adoption of these codes and standards ensures that the most up-to-date safety codes and standards are in force in Alberta. The Ministry also appointed or re-appointed 17 members to the Safety Codes Council.
- **Pressure Equipment Safety Regulation**

  The Regulation was amended to adopt four new codes and standards:
  1. The American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code (2007);
  2. Section 31.3 - 2006 of the ASME Code for Pressure Piping; Canadian Standards Association (CSA) Z7396.1;
  3. Medical Gas Pipeline Systems - Part 1: Pipelines for Medical Gasses and Vacuum; and
  4. CSA Standard Z662 - 2007, Oil and Gas Pipelines Systems.
- **Alberta Building and Fire Code Regulations**

  The Alberta Building and Fire Code Regulations were amended to implement recommendations made by the High Intensity Residential Fires Working Group. The amendments are part of the government's strategy to enhance public safety by reducing the occurrence and severity of high intensity residential fires.

Future Challenges

Municipal Government Board

- The Municipal Government Board is facing a number of challenges, including diverse and increasingly complex caseloads and increasing legal challenges. The Board also faces the challenge of achieving administrative efficiencies in scheduling, hearing and deciding a high number of cases. The Ministry is committed to addressing the issues underlying the complexity and increased caseload before the Board.

Municipal Sustainability

- Some smaller urban municipalities are facing capacity problems in fulfilling their municipal responsibilities. There are financial resource challenges, as well as difficulties in attracting qualified staff to work in the municipality, or candidates to run for the local municipal council.
- Alberta municipal leaders have identified that the most common changes needed to achieve sustainability include: development of regional partnerships; engaging in long-term planning; and provincial assistance with training, advice and support.
- The number of requests for dissolution studies has increased from the previous year, and the Ministry anticipates that this trend will continue over the coming years.

Planning and Dispute Resolution

- It is anticipated that the current economic situation will encourage municipalities to explore new ways to collaborate on the delivery of municipal services. This may result in an increasing demand for Ministry services related to alternative dispute resolution and intermunicipal relationship building, resulting in the need to prioritize the allocation of staff and financial resources.
- While the current economic situation reduces the immediate pressure on municipalities to respond to development, the need for planning advice and assistance is heightened as municipalities prepare for the next growth surge. Municipalities will also be looking at ways to ensure that their municipal plans are consistent with the regional land-use plans to be developed and adopted under the new Land-use Framework. Ministry staff will be looking for innovative ways to assist municipalities.

Slowing economy

- As the economy slows, housing starts and building in general will also slow, so the demand for safety codes officers and enforcement needs in general, may diminish. This will be partially offset by smaller projects to take advantage of the federal and provincial tax credit incentive programs; energy retrofit and home renovations.

Private sewage disposal systems

- Private sewage disposal systems along waterways that supply urban and rural drinking water are a potential threat to the environment, water supply and public health.
- Municipalities will continue to look to the province to take action to protect our water supplies from the cumulative effects of developments that rely on private sewage systems, and existing ineffective or failing sewage systems.

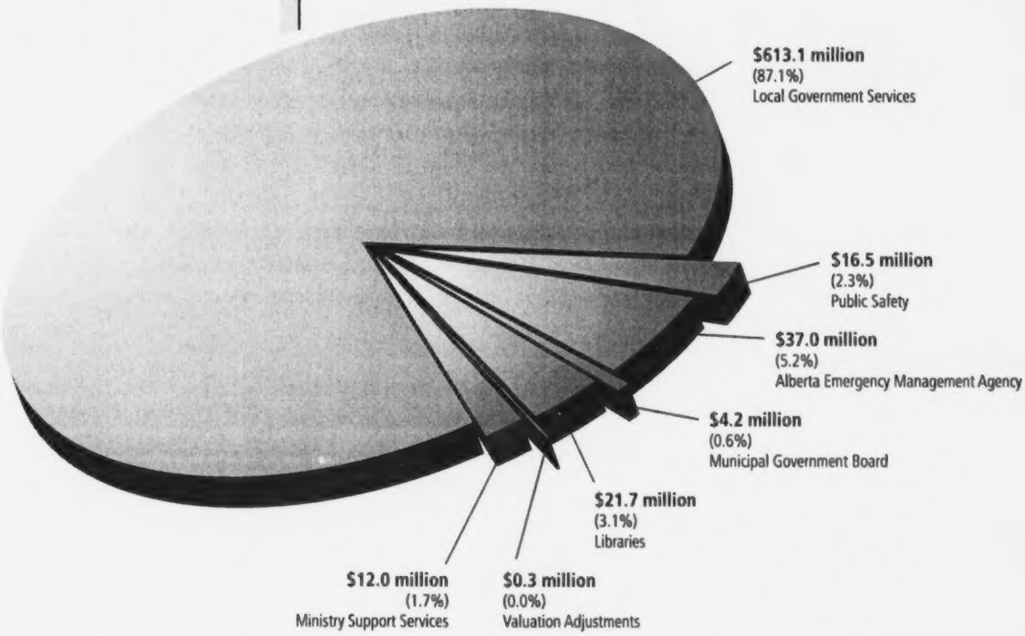
Financial Highlights

Ministry of Municipal Affairs
For the year ended March 31, 2009
(thousands of dollars)

	2009		2008
	Budget	**Actual**	**Actual**
			(Restated)
Revenues	$ 27,439	$ 30,563	$ 45,563
Expenses	691,338	704,798	506,657
Net Operating Results	(663,899)	(674,235)	(461,094)
Capital Expenditures	$ 1,190	$ 1,934	$ 866

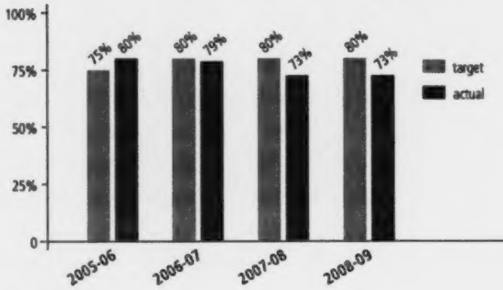
	2009	2008
		(Restated)
Assets	$ 124,012	$ 122,806
Liabilities	$ 81,982	$ 96,339
Net Assets	$ 42,030	$ 26,467

Breakdown of Expenses



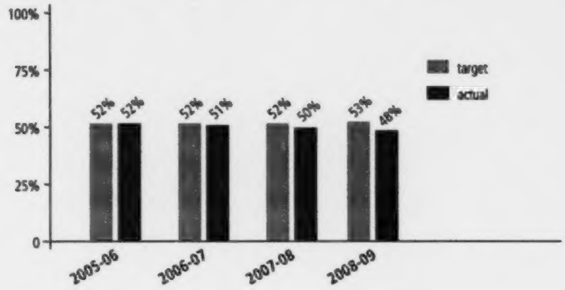
Performance Measures Highlights

Albertans' satisfaction with their local governments



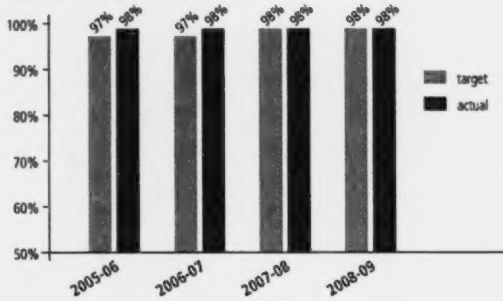
Usage of public library services by adult Albertans

(Reviewed by the Auditor General)



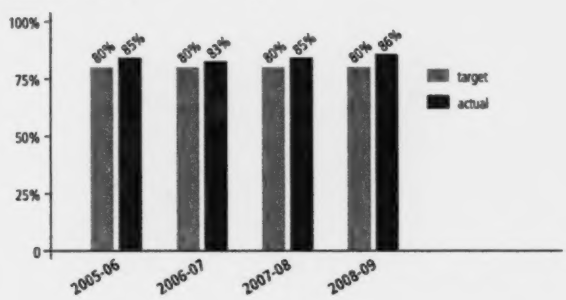
Financially accountable municipalities

(Reviewed by the Auditor General)



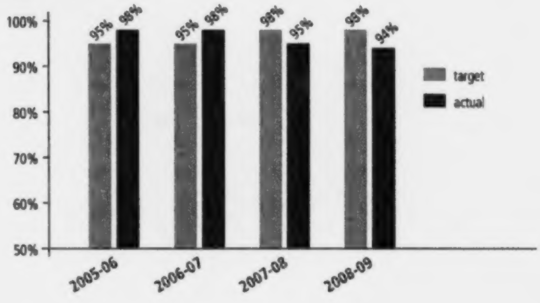
Stakeholder satisfaction with Municipal Government Board

(Reviewed by the Auditor General)

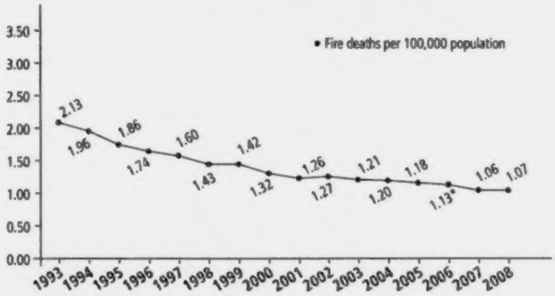


Assessment rolls meet provincial standards for procedures, uniformity and equity

(Reviewed by the Auditor General)



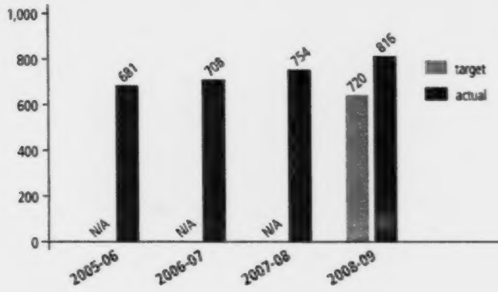
Ten-year moving average of fire death rate per 100,000 population



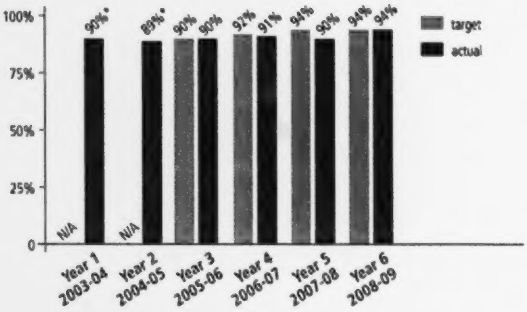
***Note:** The revised actual (1.18) differs from the audited actual (1.19), due to revision of the number of deaths after the date of calculation. The total number of 40 deaths reported for 2005 at the 2006 audit date was revised to 38 following confirmation from the Medical Examiner's Office that two deaths were not determined fire deaths, as follows: one death, on March 18, 2005, determined by the Medical Examiner's Office to be due to a heart attack was removed from the fire death data; and one death, on September 23, 2005, determined by the Medical Examiner's Office to be due to blunt trauma related to a motor vehicle collision was removed from the fire death data.

Performance Measures Highlights

Number of Tank Sites Remediated

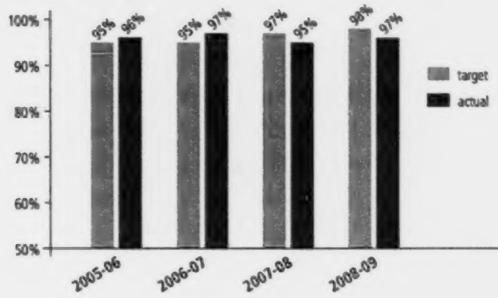


Emergency preparedness testing
(Reviewed by the Auditor General)

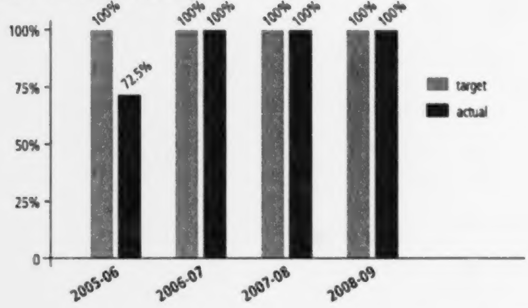


***Note:** Restatement of 2003-04 and 2004-05 performance measures to reflect the methodology change introduced in 2005-06.

Satisfactory administration of the *Safety Codes Act*
(Reviewed by the Auditor General)



Disaster claims within 30 days



***Note:** Where there is an issue of eligibility and additional investigation and supporting documentation are required, the date the applicant is contacted and additional documentation is requested is the date used. Where the visit by the evaluator is delayed at the request of the applicant, the date the evaluator contacts the applicant is used for tracking purposes.

Source for graphs:

Alberta Municipal Affairs
and Municipal Government Board

RESULTS ANALYSIS

Deputy Ministers' Message

As I review all the ministry has accomplished, I am very pleased to present Municipal Affairs' 2008-09 Annual Report.

Excellent work has been done on the ministry's top priorities - supporting the sustainability and safety of municipalities. This was achieved by consulting with stakeholders, by working collaboratively with other ministries on cross-ministry projects, by encouraging cooperation and communication between municipalities and through the careful stewardship of resources.

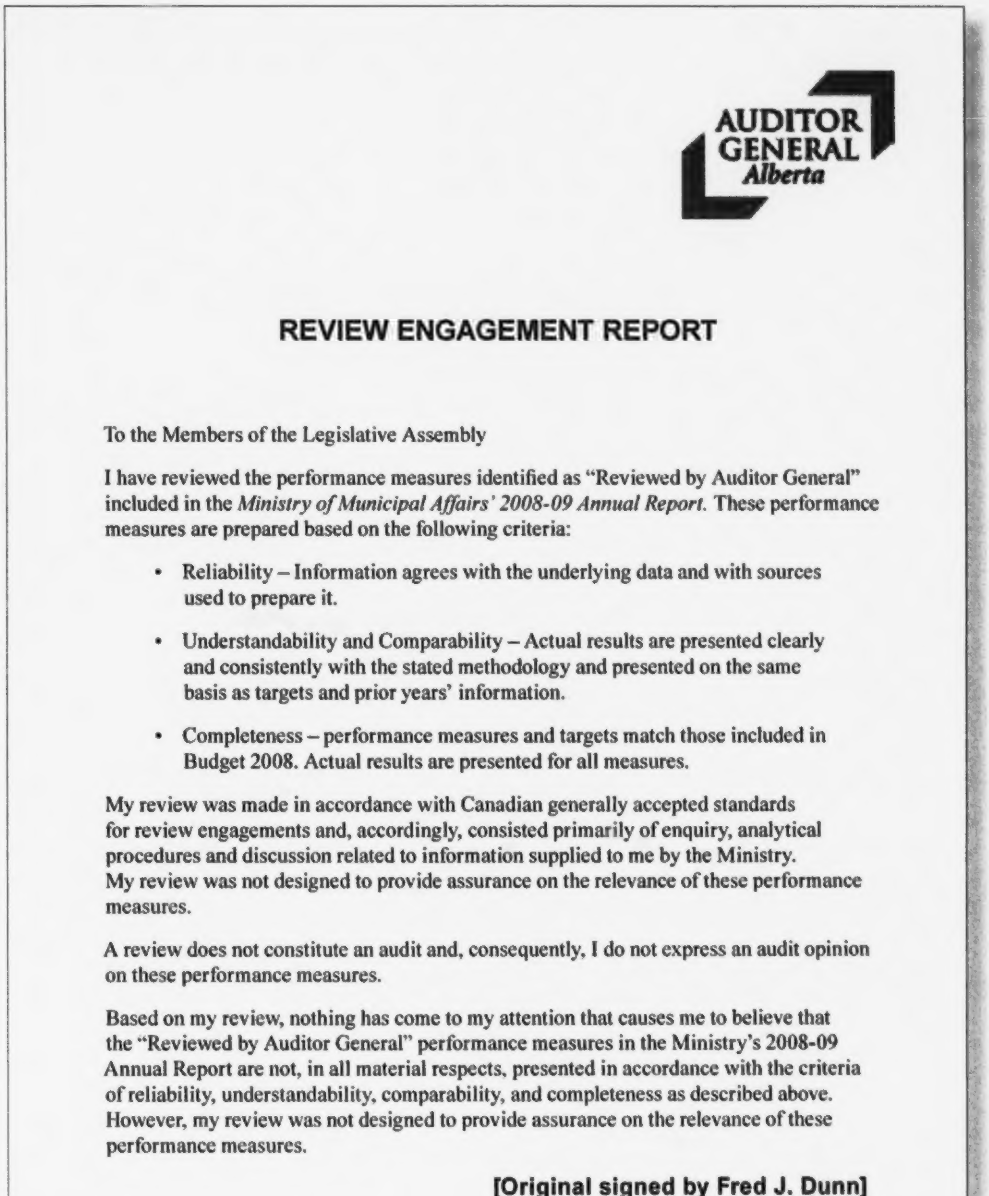
2008-09 saw Municipal Affairs staff working on a number of important projects, like cross-ministry initiatives such as the Accountability Framework, the Land-use Framework and establishing the Agency Response Readiness Centre - an emergency communication and response coordination centre. Ministry staff also worked to improve the safety of Albertans, by updating building and fire codes.

Municipalities working cooperatively and communicating with one another is key to the ministry's success. Key initiatives in this area included the facilitation of the Capital Region Board and Calgary Regional Partnership. As well, 2008 was the tenth anniversary of our award-winning Municipal Dispute Resolution Initiative.

I am particularly proud of what the ministry has accomplished given the current, world-wide economic climate. Municipal Affairs' success is due to the ongoing dedication and commitment of ministry employees.

Original signed by:

Ray Gilmour
Deputy Minister, Municipal Affairs



AUDITOR
GENERAL
Alberta

REVIEW ENGAGEMENT REPORT

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the *Ministry of Municipal Affairs' 2008-09 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's 2008-09 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

[Original signed by Fred J. Dunn]

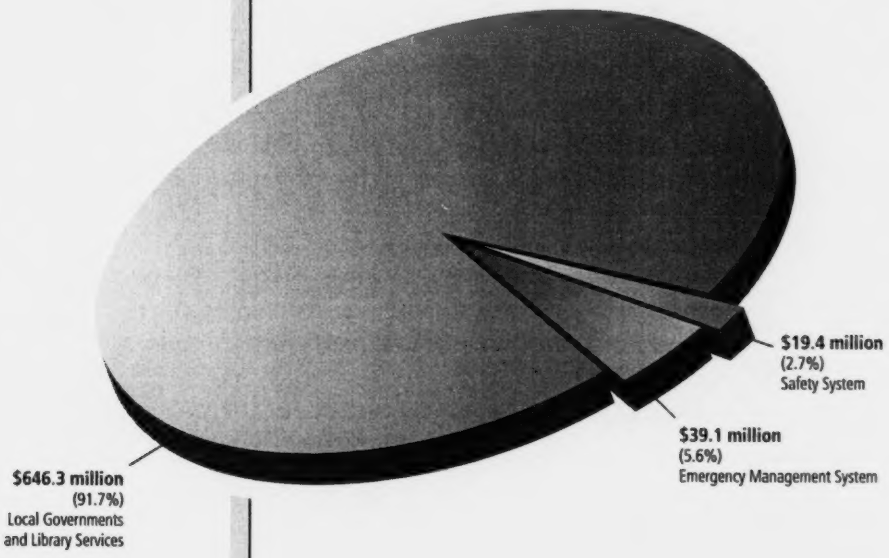
FCA
Auditor General

Edmonton, Alberta
August 31, 2009

Expense by Core Business

Ministry of Municipal Affairs
For the year ended March 31, 2009
(thousands of dollars)

	2009		2008
	Budget	Actual	Actual
			(Restated)
Local Governments and Library Services	$ 653,497	$ 646,302	$ 444,155
Safety System	20,457	19,349	14,049
Emergency Management System	17,384	39,147	48,453
	$ 691,338	$ 704,798	$ 506,657



The Ministry Support Services and Valuation Adjustments expenses, as reported on the Ministry Consolidated Statement of Operations, have been allocated to each core business. See each of the core businesses for the allocation.

Expense by Function

Ministry of Municipal Affairs
For the year ended March 31, 2009
(thousands of dollars)

	2009		2008
	Budget	**Actual**	**Actual**
			(Restated)
Protection of Persons and Property	$ 32,304	$ 53,453	$ 61,308
Regional Planning and Development	595,668	592,829	384,681
General Government	40,856	36,867	36,082
Recreation and Culture	22,510	21,649	24,586
	$ 691,338	**$ 704,798**	**$ 506,657**

Changes to Audit Procedures

In prior years, the Auditor General applied specified auditing procedures to all ministry performance measures included in the annual report. In the current year the Auditor General conducted a limited assurance (review) of selected performance measures that are identified in the annual reports as *"Reviewed by the Auditor General."* The measures were selected for review by ministry management based on the following criteria established by government:

- ensuring measures that best represent the goal and mandated initiatives;
- measures have well established methodology and reporting of data;
- measures have outcomes over which the government has a greater degree of influence; and
- each goal has at least one reviewed performance measure.

Goals, Results and Measures by Core Business

Core Business One –
Support the development and long-term sustainability of municipalities

Goal 1: A responsive, collaborative, accountable and well-managed local government sector which is sustainable

Results:

- Administered the Municipal Sustainability Initiative (MSI)

Capital funding:

Provided $454.7 million in MSI capital funding to assist municipalities to address local infrastructure pressures, enhance municipal sustainability and meet the demands of growth. Six hundred and fifty-seven MSI capital projects were accepted by the Minister. The MSI funding for these projects will be used for municipal roadways, bridges and related facilities (33.9 per cent); public transit vehicles and facilities (19.9 per cent); recreation and sports facilities (14.4 per cent); protective and emergency services facilities and equipment (9.4 per cent); and other municipal infrastructure (22.4 per cent).

MSI projects include the City of Calgary's application to design and construct a west LRT line; the Municipality of Crowsnest Pass' application to build a waterline between Blairmore and Coleman; and the City of Grande Prairie's application to develop an aquatics centre and multi-use facility.

Operating funding:

Provided $45.3 million in MSI conditional operating funding to assist municipalities in providing needed services in their communities. Eight hundred and thirty-four MSI operating projects were accepted by the Minister. The funds for these projects support planning activities (18 per cent); municipal administration (27 per cent); municipal services (42 per cent); and assistance to non-profit organizations (13 per cent).

Many municipalities are using their MSI operating funding towards projects that enhance their long-term sustainability. For example, Leduc County is working with the Town of Devon to create an intermunicipal development plan. The Town of Irricana is partnering with Rocky View County to fund shared bylaw enforcement.

- Developed processes and maintained existing systems to ensure that provincial funds that are provided to municipalities through Municipal Affairs are used to meet agreed-upon objectives, and that value-for-money is being achieved:
    - Developed and implemented compliance processes for the MSI in order for municipalities to be accountable for the annual grant allocation received, the annual project expenditures and to comply with the terms of the funding agreements and program guidelines.
    - Maintained accountability systems for grant recipients of the Municipal Sponsorship Program, Regional Partnerships Initiative and Financial Support to Local Authorities programs.
- Provided support and assistance to strategic planning initiatives in the Capital Region, Calgary Region and oil sands regions of the province:
    - Worked on establishing the Capital Region Board through regulation and developed the Transitional Regional Evaluation Framework for the Board to utilize when reviewing regionally significant projects during the interim until the Capital Region Growth Plan is approved by the Minister.
    - Provided funding assistance of $1,101,225 in 2007 and an additional $250,000 in 2008 to the Calgary Regional Partnership for the development of a regional land-use plan and ongoing activities of the organization.
    - Worked with cross-ministry teams engaged in two major initiatives co-ordinated by the Oil Sands Secretariat: the Oil Sands Strategic Plan and the Fort McMurray Community Development Plan.
    - Provided a grant of $1.2 million (year two of a three-year $3.6 million agreement) to the Regional Municipality of Wood Buffalo for use in developing plans to better equip the municipality to meet the challenges of future development within the oil sands regions. Projects included work on the design of the Parsons Creek neighbourhood in Fort McMurray, a plan for industrial and commercial lands, a regional transportation plan, and a new in-house permitting system for municipal development inspections and permits.
    - A Fort McMurray housing needs and demand analysis was completed on types and tenure of future residential development projects. The Ministry also neared completion of a new town feasibility assessment.
- Developed guidelines and tools, in partnership with the Government Finance Officers Association, to assist municipalities in complying with new accounting rules established by the Public Sector Accounting Board for the inventory, tracking and reporting on tangible capital assets:
    - Completed and posted the Tangible Capital Assets (TCA) toolkit online. The toolkit provides information and recommendations to help municipalities with the new accounting standards.
    - Sponsored nine regional workshops on matters related to the new requirements through a special grant from the Ministry. The workshops were offered by the Government Finance Officers Association in January 2009 and were attended by 240 municipal staff and other stakeholders.
    - Arranged updates through the Institute of Chartered Accountants of Alberta in September 2008 to address the needs of audit professionals working with municipalities.

  - Developed and circulated sample financial reporting formats to finance officers in Alberta.
- Provided advice, analysis and assistance to municipalities on matters related to finance, governance, land-use planning, municipal restructuring and dispute resolution:
  - Provided ongoing financial and governance advice to elected and appointed officials and other Albertans who called the Ministry. The Ministry also provided approximately 200 email responses to the online question-and-answer sites, including Alberta Connects, Alberta Comments and Local Government Services Mail.
  - Responded to an average of 80 telephone and 20 email inquiries a month from municipal and professional planning staff on the planning provisions of the MGA and planning practice in the province.
  - Updated the 2008-09 Municipal Financial Assistance Handbook and distributed it to all municipalities in December 2008. The handbook was first developed in 2006 to improve access to information about provincial financial assistance programs available to municipalities and municipal service delivery organizations. It contains basic information on more than 70 municipal grant and cost-sharing programs, eligibility criteria, program timelines, application deadlines, contact details and supporting information. The companion online searchable database has also been updated and is available on the Municipal Affairs website: www.municipalaffairs.alberta.ca.
  - Provided subdivision and development appeal board training in eight workshop locations across the province. The sessions were attended by 120 representatives from more than 50 municipalities. Participants included public members and municipal elected officials who serve on the boards, as well as municipal staff.
  - Delivered special mini-training sessions to two municipalities on topics related to subdivision and development appeal boards and municipal planning commissions. Participants included municipal elected officials and staff members.
  - Provided support and assistance to municipalities that were engaged in municipal restructuring processes, or exploring the possibility of restructuring. In 2008-09, the ministry assisted with two amalgamation negotiations, completed dissolution studies for four villages and one town, and began working on dissolution studies for two villages and one town. During the year, the Village of Thorhild dissolved into hamlet status in the County of Thorhild.
  - Provided assistance through the Intermunicipal Dispute Resolution Initiative, which helps municipalities to develop uniquely local solutions to local problems, to 25 municipalities to address 12 intermunicipal conflicts related to a number of topics, such as cost-sharing, annexation, road access and water services.
  - Provided assistance to five municipalities through the Local Dispute Resolution program, which helps municipalities to manage internal conflicts related to service delivery. The Local Dispute Resolution

  program was renamed the Collaborative Governance Initiative and its scope was broadened to support municipalities in jointly negotiating and designing protocols for intermunicipal co-operation. The ministry is currently working with an additional four municipalities to develop an intermunicipal co-operation protocol.
  - Offered eight different courses on conflict management to municipal officials on 16 occasions and at four locations across the province.
  - Issued the 2008 Official Population List, which shows the official population figures of municipalities and Métis settlements as of September 1, 2008. This list is used by a number of provincial government departments to support decisions relating to their grant programs.
  - Completed or worked on inspections in four municipalities, and Municipal Corporate Reviews in four municipalities.
- Facilitated processes leading to the formation of regional services commissions and municipally controlled corporations, and to uncontested annexations of land among municipalities:
  - Supported the consultation, review and approval of six new regional services commissions that will provide water, wastewater and water transmission services to several locations in Alberta.
  - Supported the consultation, review and approval of two new controlled corporations – the Aqueduct Utilities Corporation and the Newell Regional Services Corporation. These new corporations will provide regional water, wastewater services and solid waste services to eight municipalities and several hamlets in southern Alberta.
  - Reviewed and prepared recommendations for 16 uncontested annexations for the Minister for presentation to Cabinet.
- Provided learning resources for Grade 6 and Grade 11 students. Provided each elementary school and municipality in the province with copies of the new Grade 6 learning resource that encourages students to become interested and involved in their communities and local governments.
  - The Ministers of Municipal Affairs and Education visited a Grade 6 classroom in Edmonton to introduce the new social studies resource, *Building Communities Through Local Government.*
  - Ministry staff also provided information about the resource material, and how it can be used, at conferences and professional development workshops held by municipal associations and the Alberta Teachers' Association.
  - Municipal Affairs co-ordinated the design, production and distribution of 3,500 final print and digital resources for teachers and 1,500 booklets for municipal officials.
  - Another new learning resource that promotes careers in local government to high school students is posted on the Ministry's website, and was distributed to a number of municipalities at their request. This resource includes a facilitator's guide and a PowerPoint presentation, and was designed to be used by municipal staff who would like to share their career experiences with local students in Grade 11 Career and Life Management classes.

- Provided funding for projects designed to improve local governance, administration or services, or to support municipalities in engaging in co-operative initiatives with their municipal neighbours:

  Municipal Sponsorship Program (MSP)

  - Provided $14.3 million through the MSP to improve governance, administrative services, or service delivery practices. Municipalities received a 35 per cent bonus for eligible projects that involved intermunicipal co-operation, and a 60 per cent bonus for projects that involved shared provincial-municipal priorities.
  - Three hundred and thirty-five municipalities participated in 306 projects that related to energy efficiency (nine per cent), infrastructure management systems (15 per cent), emergency services (26 per cent), sustainability and land-use planning (12 per cent), water/wastewater and solid waste management systems (14 per cent), recreation (21 per cent) and other needs (three per cent).
  - More than $8 million was provided to 86 partnerships where two or more municipalities come together to work on projects of common interest and benefit. For example, the Village of Nobleford is working in partnership with 26 other municipalities to undertake an urban orthophotography project in the Oldman River region, which will provide necessary data for future planning initiatives. The Municipal District of Foothills is leading a project to purchase fire services equipment for regional fire departments, in partnership with three other municipalities.

  Regional Partnerships Initiative

  - Nineteen applications totalling $1.8 million were approved. These activities will result in cost savings, improved and enhanced service delivery, stronger regional relationships and innovative approaches to meet the local and regional challenges faced by municipalities.
  - The projects include initiatives by the Highway 21 Corridor Joint Regional Water Partnership to explore regional water governance options and develop a regional water project model and business plan; the Vermilion River Regional Emergency Services Partnership to examine options for regional emergency services; and the Bow Valley Regional Transportation Authority to proceed with initiatives for the provision of regional transportation services.

  Banff/Jasper Special Infrastructure Program

  - The Ministry provided $1.6 million to the Town of Banff for its downtown infrastructure rehabilitation project to replace the 95-year-old underground utilities (water distribution system, sanitary sewer and storm sewers) for the 100 and 200 blocks of Banff Avenue. This includes the reconstruction of roadways, sidewalks and the installation of new street lighting and furnishings.
  - Provided $881,000 in additional funding to the Municipality of Jasper for the Hazel Avenue CN Pedestrian Underpass project. This project will increase the safety and convenience of pedestrian and cycle crossings at this location.

- Also provided the following financial support to local authorities:
  - $36.9 million through the Grants in Place of Taxes Program, which provides municipalities with a grant equivalent to the property taxes that would be recoverable on Crown property if it were not exempt from taxation, as well as the municipal portion of property taxes on non-profit, unsubsidized, self-contained seniors' accommodations.
  - $0.7 million through the Municipal Debenture Interest Rebate Program, which subsidizes the interest paid by municipalities on certain high-interest debenture borrowings from the Alberta Capital Finance Authority.
  - $6.8 million to the Regional Municipality of Wood Buffalo to offset the interest for its loan from the Alberta Capital Finance Authority to help facilitate the construction of urgently needed infrastructure in Fort McMurray.
  - $1.2 million to the Regional Municipality of Wood Buffalo for the second year of the three-year, $3.6 million program to assist with municipal planning initiatives.
  - $57,830 to the Alberta Association of Municipal Districts and Counties, and $40,000 to the Alberta Urban Municipalities Association (AUMA), to provide opportunities for members to engage in training, development and networking. The AUMA also received $17,500 for its municipal sustainability planning project.
  - $198,000 to the Townsite of Redwood Meadows as equivalent grant to the Alberta Municipal Infrastructure Program to purchase an emergency backup generator and to undertake the second phase of its ultraviolet water treatment upgrade project. As an equivalent grant to the Municipal Sustainability Initiative, Redwood Meadows received $177,041 for capital and operating projects. Another grant of $20,880 was provided to hire a consultant to assist in recording tangible capital assets.
  - $50,000 and $20,000 in grants to the University of Alberta's City Region Services Centre for an urban/rural interdependence study and a speakers' series on regional planning, respectively.
  - $60,000 to the Town of Canmore to conduct a non-permanent residents impact study.
  - $32,300 to Lakeland College to develop a review of the college's appraisal and assessment program.
  - $50,000 to the City of Edmonton to support hosting the ICLEI (Local Governments for Sustainability) World Congress 2009.
  - $25,000 to the Alberta Assessors' Association to market careers in property assessment.
  - $20,000 and $13,451 in grants as start-up funding for the South Red Deer Regional Wastewater Commission and Shirley McClellan Regional Water Services Commission, respectively.

Measure

Albertans' satisfaction with their local governments – Percentage satisfied

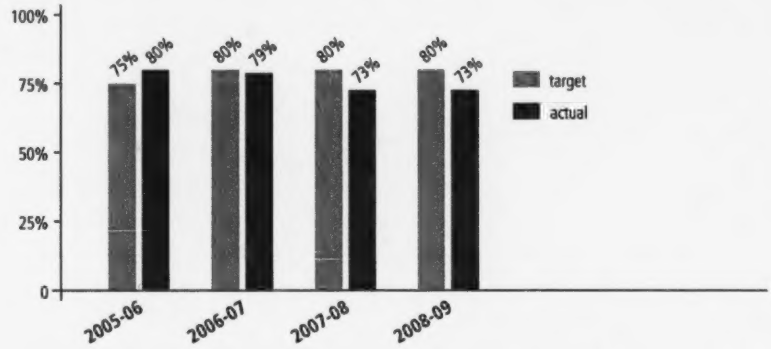
Performance Measure 1a

Description: Municipalities provide a broad range of services to Albertans where they live, work and participate in recreational activities. The Government of Alberta assists municipalities through policies and programs that encourage the development of strong and vibrant communities. Funding and services are provided by the provincial government to a variety of local government entities throughout the province to help maintain a responsive, collaborative, accountable and well-managed local government sector that is sustainable. This measure reflects Albertans' overall level of satisfaction with their local government.

Target: 80 per cent

Actual Results: The target was not met, with an actual result of 73 per cent.

Albertans' satisfaction with their local governments



Analysis: The result remained unchanged from 2007-08, when there was a six per cent decrease in Albertans' level of satisfaction with their municipal governments. While this decrease is statistically significant, the survey responses do not allow for conclusive determination of the factors causing this decrease. Many municipalities have been facing challenges in addressing growth and capacity-related issues in their communities, such as development and the provision of services, while others have been facing the challenges of a declining population and economic base. These issues may be factors in the decrease in Albertans' level of satisfaction with their municipal governments.

Performance Measure 1b

Measure

Percentage of municipalities meeting Ministry's criteria of financial accountability as established in the *Municipal Government Act*

Description: The source for the measure is the *Municipal Government Act* (MGA). The MGA does not contain a definition of "financial sustainability and accountability." However, there are legislated limits and indicators that, if consistently exceeded, would indicate major financial management stress, if not failure. These include:

Section 244: sets a criterion that if the sum of the three previous years' revenues, transfers and expenditures place the municipality in a deficit position that has to be rectified in the fourth year's operating budget;

Section 252: prohibits borrowing unless it is within the debt limit or is approved by the Minister. The Debt Limit Regulation sets limits on municipal debt in two ways (debt and debt service);

Section 278: obligates the municipality to submit an audited prescribed financial information return and audited financial statements by the legislated date; and

Section 282: authorizes the Minister to appoint an auditor to review the financial affairs of the municipality under certain circumstances.

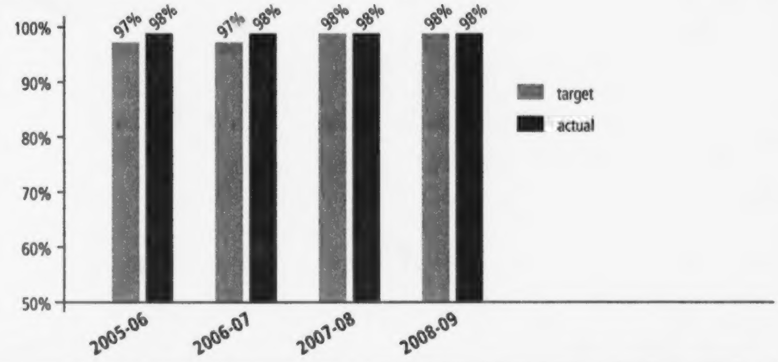
Exceeding any one of these limits does not necessarily imply a lack of sustainability. However, a pattern of exceeding the limits regularly or not addressing the associated problem proactively is a good indicator of financial or other viability issues.

Target: 98 per cent

Actual Results: The target was met in 2008-09 with an actual result of 98 per cent.

Reviewed by Auditor General

Financially accountable municipalities



The result for each of the years as calculated provides thresholds of tolerance against which to examine future years' results. As the target of 97 per cent has been exceeded in each of the years since 2002-03, in the 2007-10 business plan the target was increased to 98 per cent.

Analysis: Actual results in 2008-09 were the same as results achieved in 2007-08.

The results indicate that there are a minimal number of municipalities with serious accountability problems. Municipal Affairs continues to review municipal financial information and provide assistance and financial advice as required and requested.

Goal 2: A well-managed, fair and efficient assessment and property tax system in which stakeholders have confidence

Results:

- Determined whether the assessment information reported to the department by each municipality met the standards for assessment quality set out under provincial regulations:
    - Conducted annual assessment audits on all 352 municipalities in the province. The annual audit primarily involves the completion of ratio studies and other statistical analysis for each municipality.
    - Conducted detailed assessment audits on 38 municipalities. A detailed audit combines results-oriented ratio studies with a review of procedures for conformity with applicable legal requirements and generally accepted assessment practices.
    - Conducted follow-up audits on 18 municipalities. A follow-up audit is normally conducted in the year following a detailed audit to evaluate progress on the actions the municipality has taken to address the auditor's recommendations.
    - Completed the review of the valuation of 1,966 Crown properties in 55 municipalities within targeted timelines.
- Facilitated and implemented processes involved in the assessment of property in Alberta and the levying of the annual education property tax:
    - Prepared the 2009 equalized assessments for each municipality. The department examined the assessment data submitted by designated assessors, monitored the process of submitting and declaring annual and revision assessment loads, collected and analyzed growth data and reviewed information about supplementary assessments and taxation. The provincial equalized assessment in 2009 increased by about 36 per cent to $698.4 billion, up from $515 billion in 2008.
    - Prepared and delivered the 2008 education property tax requisitions to municipalities and, in direct response to requests from municipalities, began to develop an electronic delivery system for the 2009 tax year.
    - Developed a three-year plan to update the rates used in the Minister's Guidelines to assess regulated property in the province. The Minister's Guidelines set out the process used to assess and tax farm land, linear property, machinery and equipment and railway property. This task includes contracting with engineering firms, working together to convert the engineering data into the rates used in the guidelines and consulting with stakeholders on the results. The Ministry is currently working with consultants on the rates for wells, cable, pipelines and railways.
    - Prepared and defended the annual linear property assessment notices. In 2009, the linear property assessment increased by 9.5 per cent to $67.8 billion. The linear property assessment is prepared for approximately 1,100 companies and 350 municipalities, and these property assessments generate approximately $1 billion in municipal and education property tax.

  - Responded to approximately 1,650 linear complaints filed with the Municipal Government Board for the 2008 tax year. The number of complaints represented a small percentage (0.33 per cent) of the total number of linear properties assessed (500,000) for the 2008 tax year.
- Provided information and advice and consulted with stakeholders on assessment and property tax matters:
  - Held information sessions in five locations across the province on topics related to Alberta's property assessment and tax system. Municipal officials and property assessors were asked for their views on assessment and tax-related issues.
  - Conducted targeted, direct consultation sessions on the Community Organization Property Tax Exemption Regulation (COPTER). Written submissions were also provided by stakeholders through an online consultation process. Submissions were received from municipalities, non-profit organizations, and the Alberta Assessors' Association. Two adjustments were made to COPTER in the fall of 2008: the term "subsidized accommodation" was defined, and references to "community" were replaced with "municipality" in parts of the regulation. The feedback from stakeholders will also be used in considering further changes or clarifications that may be needed to COPTER, or to the Ministry's guide to interpreting the regulation (entitled *Property Tax Exemptions in Alberta - A Guide*).
  - Conducted annual training programs, comprised of the Assessment Review Board (ARB) training program and Assessment Principles courses at Lakeland College. The training is provided to develop the knowledge and expertise of ARB clerks and panel members in conducting ARB hearings and to develop the general knowledge of new assessors on assessment practices and legislation.
  - Completed three draft modules for the Property Assessment in Alberta Handbook (PAAH). The new modules present leading practices to practitioners in the assessment of commercial strips, shopping centres and office buildings.

Performance Measure 2a

Measure

Percentage of municipal assessment rolls that meet provincial standards for procedures, uniformity and equity

Description: This performance measure is a statistical indicator of the overall level of compliance with the quality standards set out in the Matters Relating to Assessment and Taxation Regulation of the *Municipal Government Act*.

Part of Alberta Municipal Affairs' role in the assessment and property tax system is to communicate assessment standards and monitor the property assessments carried out by municipalities to ensure that a municipality's assessment meets regulated quality standards and is a fair basis for inter-municipal cost-shared programs, such as education. Furthermore, the department monitors municipal assessment quality to ensure that assessments are fair within municipalities.

Measuring compliance trends over time demonstrates the department's effectiveness in improving the assessment system in Alberta.

Measuring compliance is important in an environment where the preparation of assessments has been decentralized and is now performed by municipal contractors or municipal employees. It supports the government's goal to build a stronger Alberta because an efficient, stable and uniform assessment base within and between municipalities promotes a climate conducive to investment, wealth generation and job creation.

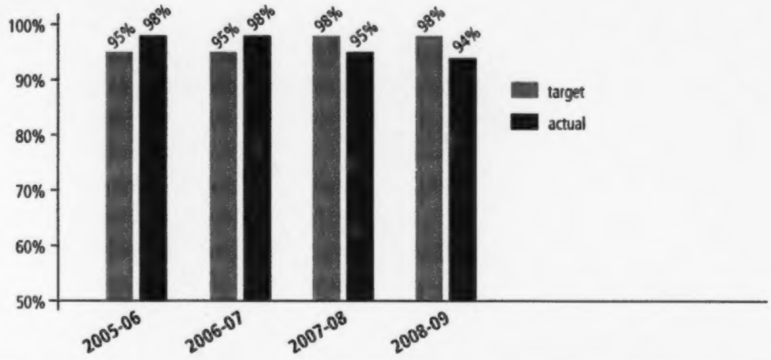
The annual audit is the method used to monitor assessment quality. The objective of the annual audit is to statistically verify whether municipal assessments meet regulated quality standards.

Target: 98 per cent

Actual Results: The target for 2008-09 was 98 per cent with an actual result of 94 per cent.

Reviewed by Auditor General

Assessment rolls meet provincial standards for procedures, uniformity and equity



*As the target of 95 per cent was exceeded in the two previous years, the target was increased to 98 per cent in the 2007-10 business plan.

Analysis: The result is comprised of two property classes: residential and non-residential. The residential property class did not meet the target and the non - residential property class did meet the target in 2008-09. In the residential property class, 42 out of 352 municipalities (12 per cent) had assessment levels outside of 0.95 and 1.05, the acceptable range for median assessment ratios. In the non-residential class, three of 320 municipalities (1 per cent) had assessment levels that were outside of the acceptable range.

Overall, the results show that a high percentage of municipalities are achieving compliance with the *Municipal Government Act* and the quality standards in the Matters Relating to Assessment and Taxation Regulation. Unprecedented shifts and variability in the market may have caused considerable analysis challenges for municipalities and lead to the decrease in the actual results from 95 per cent in 2007-08 to 94 per cent in 2008-09.

Although the measure has existed in the business plan since 2001, there were three changes to the assessment process in 2004-05 that affected how the measure was calculated. The 2004-05 target was established prior to the changes in business and methodology and therefore is not directly compared with 2004-05 actual results. Similarly, previous years' actual results are not comparable to results achieved since 2004-05 and are therefore not included.

Assessors in many smaller municipalities lack experience in analysis and appropriately adjusting sales as the volatility of the real estate market has expanded beyond major urban centers. This has contributed to the challenge of appropriately adjusting market data to the valuation date as significant changes occur over the analysis period. The inexperience of some assessors in conducting appropriate analysis and adjustment has contributed to two years of declining results. Department staff are working with assessors to strengthen practices in this area.

Goal 3: Municipal Government Board administers appeals and issues timely and impartial decisions of high quality

Results:

- The number of appeal hearings held by the Municipal Government Board (MGB) continues to be very high; 3,671 in 2008-09 versus 524 in 1998-99. Property assessment appeals and linear assessment complaints continue to account for the majority of the work before the MGB, but all appeal types, including subdivisions and annexation applications, increased the demands made on the Board.
- Completed additional enhancements to the new database system in partnership with the City of Edmonton and the Province of British Columbia.
- Completed a stakeholder survey and responded to client feedback by implementing changes to improve MGB practices and procedures to better serve client needs.
- Conducted quarterly and specialized training workshops with Board members and staff to strengthen knowledge and skills for achieving quality adjudication processes and decisions on matters before the MGB.
- Applied the use of one-member panels to increase MGB efficiencies and support a user-friendly appeal environment. Utilized one-member panels to deal with administrative matters and stimulate more aggressive and timely scheduling and hearing of appeals, particularly in grouping similar appeal matters.

Performance Measure 3a

Measure

Percentage of parties who appear before the Municipal Government Board who are satisfied or neutral regarding the Board's services and processes

Description: It is a requirement of the Municipal Government Board that it make and be seen as making impartial, independent decisions that are of a high quality. The MGB sets out to hear and render impartial decisions that are both fair and of high quality, but it should be noted that because of the adjudication process, half of the parties will be receiving decisions not in their favour. Regardless of this fact, it was determined that only the parties participating in the appeal process and directly affected by MGB decisions can fairly judge the Board's performance. These measure results are from responses received

from the parties that appeared before the MGB between April 1, 2007, and March 31, 2008, and surveyed in December 2008. To determine if the goal was met, an independent consulting firm surveyed the parties who appeared before the MGB.

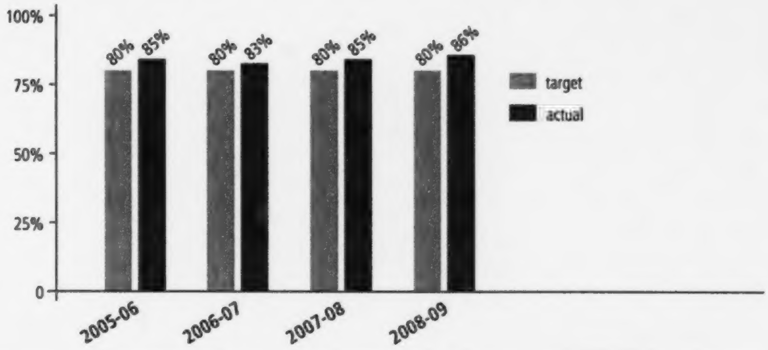
This measure also recognizes the expectation that the MGB achieves efficiency in hearing and deciding appeals in a timely manner. A fifth question was asked to measure the timeliness of hearings. This question was in addition to the other four survey questions seeking client responses to MGB hearing processes. The results for this additional question were also derived from responses contained in the survey.

Target: 80 per cent

Actual Results: The Municipal Government Board achieved its target with actual 2008-09 results of 86 per cent. This result shows that parties that appear before the MGB are generally satisfied with the fairness and application of processes in hearing and deciding their appeals and in the timeliness of MGB decisions.

Reviewed by Auditor General

Stakeholder satisfaction with Municipal Government Board



Analysis: The MGB continues to maintain high levels of client satisfaction consistent with results in previous years. It is able to do so even though complexity of appeals and numbers of hearings are extremely high. The ability to maintain this level of performance is particularly difficult when 50 per cent of the parties have lost the decision.

The number of hearings continued to be very high with 3,671 conducted in the last reporting year. Prior to this year, the number of hearings had increased each year over the last 10 years. Hearings numbers were again on the increase in 2008-09.

The Client Satisfaction Survey is conducted and results are compiled and reported by a professional survey firm. All parties who attended a MGB hearing are surveyed. The results being 206 or 53 per cent of the 392 eligible clients participated in the survey. This is a reduction in the number of clients from the 60 per cent that participated last year.

The information is summarized in the following chart:

Hearing clients agreement with selected statements about the Municipal Government Board's hearing process

Number of respondents – 185*(for the first five responses) – 124** (for the sixth response)	Agreed	Neutral	Disagreed	A&N
You were treated in a courteous manner	91%	3%	5%	94%
You had sufficient opportunity to present your case	86%	5%	9%	91%
The hearing process was straightforward and easy to understand	82%	7%	11%	89%
The hearing was conducted in a timely manner	77%	9%	14%	86%
The hearing process was fair, that is, it was impartial and unbiased	74%	8%	19%	82%
The written/oral decision(s) were delivered in a reasonable time period (table 28 of the survey report)	124 @ 52% 70 @ 100%	124 @ 7%	124 @ 40%	79%
Average				86%

*Number of respondents as stated in Table 17 of the survey report

**Number of respondents as stated in Table 28 in survey report

Ninety-three people responded to the timing question as receiving 70 oral and 124 written decisions. So the equation for the timing question is 70 + 124 (times 59%) all divided by 194 = 74%. The full equation is A(94%) = B(91%) = C(89%) = D(86%) + E(82%) + F(70 + (124 * .59)/194) or 74%) = total of A to F is 516/6 = 86%

GOAL 4: A province-wide public library network that provides access to quality information resources and other library services

Results:

- Provided policy and planning advice, training and consultation services to library boards at the local and regional level.
- Provided $20.4 million in grants and funding to support public library service. This included:
  - $17.4 million in operating grants to 227 municipal and community boards and seven library system boards operating 310 public library service points.
  - $1.5 million to The Alberta Library and the Alberta Public Library Electronic Network to support networked services, electronic resources, library awareness and marketing, and staff training.
  - $1.5 million to provide access to the Alberta SuperNet for 295 public libraries representing approximately 93 per cent of Alberta public libraries that are able to provide Internet service to Albertans. There were two new library service points connected to the Alberta SuperNet this year.
- Met with various library boards to:
  - facilitate revisions and updates of governance policies;
  - discuss needs assessment and service planning;
  - provide policy workshops;

  - provide training and information for library staff in order to facilitate an increased awareness of the requirements under the Libraries Regulation; and
  - present in-service training sessions on governance, finance and service structures.
- The Minister commissioned an MLA Committee on the Future of Public Library Service in August 2008. This committee was asked to recommend specific actions by which the Government of Alberta can support libraries within the ideas of: building on the established base of library service; promoting collaboration and innovation; and capitalizing on technology. The MLA Committee members attended consultation sessions throughout Alberta during September and October 2008 and presented its report, *Framework for the Future: Positioning Alberta Libraries for the 21st Century,* to the Minister in January 2009. The report, along with the government response, was released April 16, 2009.

Performance Measure 4a

Measure

Usage of public library services by adult Albertans

Description: This measure provides a general indicator of the use of Alberta public libraries by adult Albertans in the past 12 months. It is used to give a general sense of how successful libraries are at retaining the existing user base through services provided and how marketing approaches might be impacting the ability to attract new users.

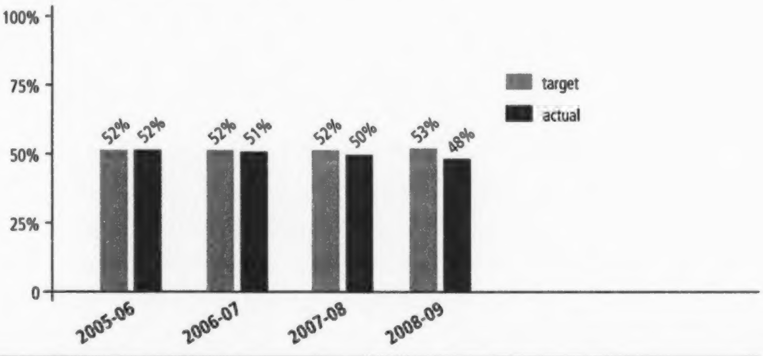
The percentage of Albertans who have used public library services, when reviewed with other traditional indicators such as number of library cardholders, number of reference questions and turnstile counts, provides insight into public library access and usage in Alberta. Results of this measure are compared with those of previous years. These comparisons are used in combination with information from other sources to assess how well the current levels of library usage support delivery of programs and services that advance the quality of life in Alberta. Based on this analysis, decisions are made concerning the need to review, and if necessary, adjust, programs and services.

Target: 53 per cent

Actual Results

Reviewed by Auditor General

Usage of public library services by adult Albertans



Analysis: Adult Albertans who used a public library decreased slightly from 50 per cent in 2007-08 to 48 per cent in 2008-09 and was below the target of 53 per cent. However, Albertans who had someone in their household use a public library increased from 62 per cent in 2007-08 to 63 per cent in 2008-09. This may indicate an increase in use of public libraries by children and young people. Public library use by adult Albertans may have been influenced by several factors such as library hours of operation, time constraints and the increasing use of electronic sources of information, such as the Internet.

Statistics collected from public library boards indicate a steady increase of people using the "virtual branch" of the library online in addition to using the physical library. This online capability through the Internet and the SuperNet (the government-sponsored broadband network), along with inter-library sharing, allows Albertans to have greater access to library materials from across the province through their local public library.

Usage data from library boards, collected yearly by the ministry, indicates increased use of public libraries. In 2007, the percentage of provincial population served by public libraries increased 4.6 per cent compared to a population growth of 3.4 per cent. Circulation increased 2.4 per cent while inter-library loan traffic decreased 5.2 per cent in 2007. This may be the result of larger local collections, which increased by 2.0 per cent in 2007. Many libraries used one-time Public Library Development Initiative funding in 2007 to expand their collection. In-person library visits increased 2.6 per cent while the number of library cardholders decreased 4.3 per cent, suggesting greater use of library resources that do not require a library card, such as programs and Internet access. The use of networked library services - services made possible by the advent of the Internet in public libraries - continues to grow steadily.

Interestingly, respondents to the 2009 Survey of Albertans questionnaire may not recognize accessing library resources virtually through the library website or online catalogue to be a "use." When asked "Have you used a public library in Alberta in the past 12 months?", they may assume that use means visiting the library in person. The term is not defined in the questionnaire and, consequently, this may have had an impact on the number of affirmative responses given.

Financial Information for Core Business 1

Support the development and long-term sustainability of municipalities

Fiscal 2009 Actual Compared to Fiscal 2009 Budget (thousands of dollars)

As reported on Schedule 5 to the Department of Municipal Affairs financial statements (pages 109 - 111 of the annual report) the core business 'Support the development and long-term sustainability of municipalities' details are as follows:

Support the development and long-term sustainability of municipalities	**2008-09 Estimates**	**Authorized Supplementary**	**2008-09 Authorized Budget**	**2008-09 Actual Expenses**	**Unexpended (Over Expended)**
Division Support - Local Government Services	$ 2,513	$ —	$ 2,513	$ 1,972	$ 541
Municipal Services	14,742	—	14,742	12,928	1,814
Assessment Services	11,142	—	11,142	10,588	554
Unconditional Municipal Grants	17,754	—	17,754	19,329	(1,575)
Municipal Debenture Interest Rebates	704	—	704	702	2
Grants in Place of Taxes	40,856	—	40,856	36,867	3,989
Financial Support to Local Authorities	13,598	—	13,598	13,226	372
Municipal Sponsorship	14,700	—	14,700	14,258	442
Municipal Sustainability Capital Grants	450,000	—	450,000	454,713	(4,713)
Municipal Sustainability Operating Grants	50,000	—	50,000	45,287	4,713
Capital Region Board	3,000	—	3,000	3,250	(250)
Municipal Government Board	3,960	—	3,960	4,230	(270)
Library Services	1,091	—	1,091	1,224	(133)
Library Grants	21,419	—	21,419	20,425	994
Ministry Support Services and Valuation Adjustment Allocation	8,018	—	8,018	7,303	715
	$ 653,497	**$ —**	**$ 653,497**	**$ 646,302**	**$ 7,195**

The core business expenses for 'Support the development and long-term sustainability of municipalities' were $646.302 million for 2008-09 which was less than the $653.497 million authorized budget by $7.195 million, or 1.1 per cent. The biggest contributors to the unexpended amount were Municipal Services and Grants in Place of Taxes. Municipal Services was under expended as a result of project delays. Grants in Place of Taxes was under expended due to lower than expected assessment increases in crown properties and lower than expected completion of construction on new crown properties.

Ministry Support Services and Valuation Adjustment expenditures have been allocated to the core business 'Support the development and long-term sustainability of municipalities' based on the number of full-time equivalent employees.

Fiscal 2009 Actual Compared to Fiscal 2008 Actual (thousands of dollars):

	2008-09	2007-08	Increase
Support the development and long-term sustainability of municipalities	$ 646,302	$ 444,155	$ 202,147

The 'Support the development and long-term sustainability of municipalities' core business expenses were $646.302 million in 2008-09 compared to $444.155 million in 2007-08; the result was an increase of $202.147 million, or 45.5 per cent. The majority of the increase in 2008-09 was due to an increase to the Municipal Sustainability Initiative of $200.0 million. The remaining increase was mainly related to expenses for the newly established Capital Region Board totaling $3.25 million.

Core Business Two –
Administer the Safety System to support the development and maintenance of safe and viable communities

Goal 5: A comprehensive system of safety codes and standards that provides an appropriate level of public safety

Results:

- **Tank Site Remediation Program**

  In August 2006, the Government of Alberta approved $50 million in funding toward a new multi-year program to help municipalities and other eligible owners clean up contamination from leaking underground storage tanks on their current or former retail gas station sites. The new program continues work that began under a previous program introduced in 2000 that allocated $60 million to help eligible owners bring their sites into compliance with new provisions in the Alberta Fire Code and the *Environmental Protection and Enhancement Act.*

  Program funding helps municipalities and owners of small retail sites clean up their contaminated sites. The program protects potable water supplies, helps to ensure the health and safety of nearby residents and provides positive economic impacts to communities. To date, funding has cleaned up 816 sites and approximately 200 more sites are in progress.

- **State of Elevating Devices Safety Report**

  In December 2008, the Ministry initiated a project to produce a report that evaluates the current state of safety for elevating devices in Alberta. After the findings have been compiled, organized and analyzed, strategic recommendations will be developed to mitigate the occurrence of safety incidents. There are five specific goals for the project:

  - Reduce accidents;
  - Reduce infractions identified during inspections;
  - Demonstrate to stakeholders and the public that the elevator discipline is safe;
  - Compare Alberta's safety statistics/measures to other provinces; and
  - Act as a model for other disciplines under the *Safety Codes Act* so that those disciplines can better gauge safety.

- **Fireworks**

  Low-hazard fireworks, also referred to as "family fireworks," are those that may be available for purchase by the general public for recreational use. They do not include those used for most public event fireworks displays. In 2007, The Alberta Fire Chiefs Association (AFCA) asked the Minister to ban the storage, possession, sale and discharge of low-hazard fireworks in Alberta because the AFCA felt that low-hazard fireworks caused injuries and started fires. A market research firm conducted a survey to determine Albertans' views on low-hazard fireworks. The survey indicated 54 per cent of Albertans surveyed are opposed to a fireworks ban, 40 per cent support a ban and the remainder are neutral. The findings were not sufficient to warrant a change to the existing practice of managing low-hazard fireworks.

Municipalities will continue to regulate the sale and discharge of fireworks, and can impose business licensing and fees at their discretion. They can also choose to allow or ban fireworks in their jurisdictions.

- **Private Sewage Disposal Systems**

  Municipal Affairs, Environment and Health and Wellness are working to improve private sewage management in the province as a result of incidents of failed systems that threatened public health at Bragg Creek, Brazeau County and Beaver County. The Public Safety Division is working with communities to develop a management framework and has initiated a pilot project to help municipalities manage private sewage concerns. The pilot project includes a $142,500 grant to the Alberta Association of Municipal Districts and Counties to test a model process for use in municipalities of all sizes. In addition, $30,000 in grant funding has been issued to the University of Calgary for groundwater contamination research. These projects will help to ensure that our water supply is protected and safe in the future.

- **Trade Investment Labour Mobility Agreement**

  Under the Trade Investment Labour Mobility Agreement (TILMA), the Ministry signed Labour Mobility Agreements with British Columbia for pressure welders, power engineers and master electricians. An agreement for Private Sewage Disposal System Installers was also being finalized. These agreements will mean that workers certified for these occupations in one province will be recognized to practice in the other.

- **Safety Codes**

  Presented a number of seminars to educate and support safety codes inspectors from across the province. These seminars help keep inspectors from municipalities, agencies and corporations up-to-date on the latest developments in safety codes and their application. In addition, these information sessions were expanded to include industry groups and interested members of the public.

- **Tank Site Remediation Program**

  Administered grants to site owners through the Tank Site Remediation Program. Significant progress was made during 2008-09, with the target performance measure of 720 cumulative sites remediated being exceeded by 96 sites for a total completed of 816 sites remediated since the program began in 2000. The Ministry accepted 334 new applications for funding assistance this year.

  Initiated files for 200 additional contaminated sites under the program. These sites are in various phases of investigation or clean-up.

- **Building and Fire Codes**

  Collaborated with Alberta Justice, AADAC and Solicitor General to develop and issue technical requirements to provide building and fire code compliance for youth care facilities for the protection of children of substance abuse.

Developed and implemented building and fire technical compliance provisions for new Seniors and Community Support standards under *Supportive Living Accommodation Licensing Act* for Supportive Living Facilities.

Developed a report of recommendations on Off-Site Manufactured Structures with an anticipated consultation on Relocatable Industrial buildings for summer 2009.

Led stakeholder consultations on residential construction practices in the summer of 2008, and subsequently developed a report with the following recommendations identified for further study and review:

- Accountability of the Construction Industry;
- Consumer Protection and Recourse;
- Appropriate Worker Certification and Skills Development;
- Appropriate Inspection and Enforcement Processes; and
- Public Education.

- **Governance and Accountability**

  Implemented a new governance and accountability framework with the Safety Codes Council that separates operations and industry advisory functions from management and governance. The framework establishes a new governance body and includes a Mandate Document executed by the Minister and the Chair of the Council that sets out roles, responsibilities and accountability mechanisms.

- ***Safety Codes Act* Review**

  Initiated a multi-year initiative to review the *Safety Codes Act*. The review provides an excellent opportunity to assess issues and opportunities identified over the last 15 years. This will help to assess whether business changes are needed and if amendments to the Act are required to provide for these changes. Stakeholders will be extensively engaged in this review.

Performance Measure 5a

Measure

The percentage of assessed accredited municipal entities, corporations, agencies and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating

Description: This measure monitors closed files to assess performance against Quality Management Plans and Operating Agreements for each accredited entity and delegated administrative organization. This approach promotes continuous improvement in the effectiveness and uniformity of permitting and inspection services delivered under the *Safety Codes Act*. The use of permitting and inspection services gives Albertans confidence that the homes, buildings and facilities where they work, live and do business, and the associated equipment, such as elevators and electrical, heating and plumbing systems, are constructed and maintained to safe standards.

The Safety Codes Council is delegated responsibility under the act for approving Quality Management Plans (QMPs) and accrediting organizations. Municipal Affairs monitors the performance of these entities against their QMPs.

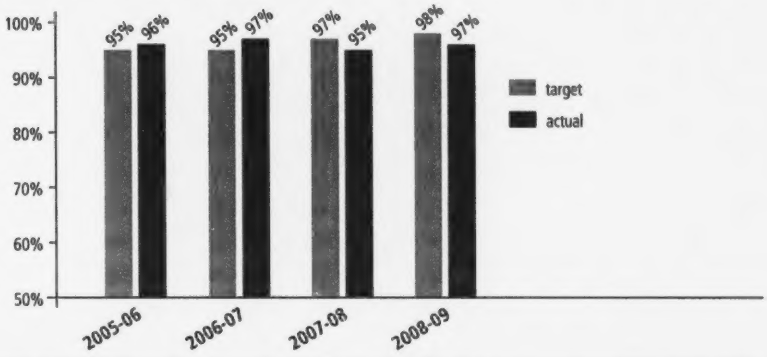
Target: 98 per cent

Actual Results: 97 per cent of assessed accredited municipal entities, corporations, agencies and delegated administrative organizations administering the act achieved a satisfactory rating. This result is one per cent below the new target for 2008-09 of 98 per cent.

This measure has been in use since the 1998-99 fiscal year.

Reviewed by Auditor General

Satisfactory administration of the *Safety Codes Act*



Analysis: The result of 97 per cent represents an increase of 2 per cent over the results of last year's actual, and comes close to achieving our target of 98 per cent. The target was increased from 97 per cent to 98 per cent for 2008-09.

Municipal Entities - Ninety-nine of 100 accredited municipal entities reviewed achieved a satisfactory performance rating, representing a significant increase over the previous year.

Corporations - Twenty-six of the 29 accredited corporations (90 per cent) reviewed this year achieved a satisfactory performance rating. The three corporations that scored below the satisfactory rating are scheduled to be monitored again in the 2009-10 fiscal year.

Agencies - A satisfactory performance measure score was achieved by all eight Authorized Accredited Agencies under contract with the department, with one of the eight scoring significantly lower than the others. Department staff worked with the agency to attempt to improve performance and compliance with its contractual agreement. In the latter part of the 2008-09 fiscal year it became evident that this agency was not meeting its obligations and a review of the status of its contract with the department was initiated.

Delegated Administrative Organizations (DAOs) - All three of the DAOs (the Petroleum Tank Management Association of Alberta, the Alberta Elevating Devices and Amusement Rides Safety Association, and the Alberta Boilers Safety Association) were assessed and achieved satisfactory ratings in 2008-09 (100 per cent). This is consistent with last year's result.

Performance Measure 5b

Measure

Tank Site Remediation Program – cumulative number of sites remediated

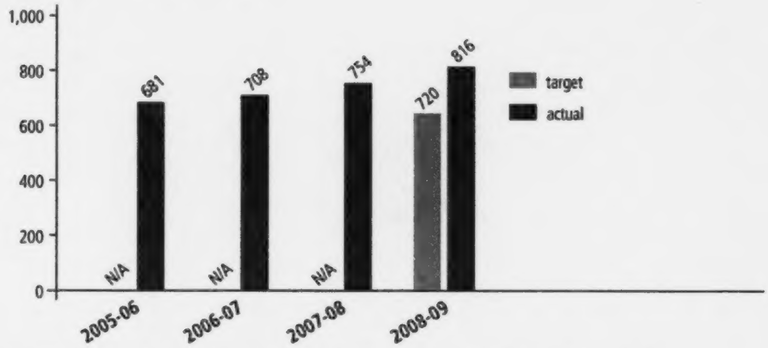
Description: The cumulative number of sites remediated was selected to measure the performance of the Tank Site Remediation Program (program) as it directly measures the progress being made toward Business Plan Strategy 5.6 that reads: "Assist municipalities and other eligible site owners with cleaning up current or former gas station sites contaminated by leaking underground petroleum storage tanks." Daily management of the program incorporates monitoring of input and output measures such as payments against approvals and the progress in stages of a site remediation. The cumulative number of sites remediated is an outcome measure that better demonstrates the overall effectiveness of the program and the progress being made toward the business plan goal.

Target: 720 Sites

Actual Results: The cumulative number of sites remediated to March 31, 2009, was 816 sites. This exceeded the target for 2008-09 of 720 sites. Although the program has been active in some form since the year 2000, this performance measure was new in the 2008-11 Business Plan because prior to January 2007, the program was administered by the Safety Codes Council on behalf of Alberta Municipal Affairs.

NOTE: Targets for this Performance Measure in future Business Plans will be adjusted to reflect recent changes that influence the progress of the program.

Number of Tank Sites Remediated



Analysis: The cumulative number of sites remediated to March 31, 2009 exceeded the target by 96 sites. The number of sites that can be remediated in any given year is dependent on a number of factors. The performance targets were based on the program's records and experience of how some of these factors constrained progress in the previous years and were expected to continue to influence the progress of the program.

The number of sites remediated exceeded the performance target because of changes in several factors, including:

- increase in industry capacity available to remediate contaminated sites under the program;
- less than anticipated amount of contamination at some sites requiring less remediation effort; and
- improvements in Program administration and communication, such as:
  - introducing face-to-face meetings with all new eligible owners prior to and during the remediation process;
  - establishing and conducting a mandatory two-day orientation course for consultants working for owners eligible under the Program; and
  - increasing the follow-up with owners and consultants by Program staff, resulting in a decrease in the delays due to missed deadlines for completion of various stages of remediation work.

With the increase in industry capacity available to remediate sites, the allocation of budget in the upcoming years will likely become the principal determinant of how many sites can be remediated.

Financial Information for Core Business 2

Administer the safety system to support the development and maintenance of safe and viable communities

Fiscal 2009 Actual Compared to Fiscal 2009 Budget (thousands of dollars)

As reported on Schedule 5 to the Department of Municipal Affairs financial statements (pages 109 - 111 of the annual report) the core business 'Administer the safety system to support the development and maintenance of safe and viable communities' details are as follows:

	2008-09 Estimates	Authorized Supplementary	2008-09 Authorized Budget	2008-09 Actual Expenses	Unexpended (Over Expended)
Safety System					
Division Support	$ 1,473	$ —	$ 1,473	$ 1,305	$ 168
Program Management	386	—	386	400	(14)
Technical Services	2,300	—	2,300	1,921	379
Regional Services	4,085	—	4,085	4,215	(130)
Tank Site Remediation Program	9,018	(2,500)	6,518	8,598	(2,080)
Ministry Support Services and Valuation Adjustment Allocation	3,195	—	3,195	2,910	285
	$ 20,457	**$ (2,500)**	**$ 17,957**	**$ 19,349**	**$ (1,392)**

The core business 'Administer the safety system to support the development and maintenance of safe and viable communities' incurred expenses of $19.349 million for fiscal 2008-09; $1.392 million more than the authorized budget of $17.957 million, or 7.7 per cent. The over expended amount relates to over expenditures for the Tank Site Remediation program. The Authorized Supplementary of $2.5 million to decrease the budget for the Tank Site Remediation Program was due to initial lower than expected uptake for this program.

Ministry Support Services and Valuation Adjustment expenditures have been allocated to the core business 'Administer the safety system to support the development and maintenance of safe and viable communities' based on the number of full-time equivalent employees.

Fiscal 2009 Actual Compared to Fiscal 2008 Actual (thousands of dollars):

	2008-09	2007-08	Increase
Safety System	$ 19,349	$ 14,049	$ 5,300

The 'Administer the safety system to support the development and maintenance of safe and viable communities' core business incurred expenses of $19.349 million in 2008-09 compared to $14.049 million in 2007-08. The result was an increase of $5.3 million or 37.7 per cent. The increase was mainly due to increased expenditures for the Tank Site Remediation program in addition to a greater allocation of Ministry Support Services costs.

Core Business Three –

Manage the effective coordination of the provincial emergency management system

Goal 6: A province-wide emergency management system that protects the people of Alberta, their property and the environment from the effects of emergency events

Results:

- **Major Emergency Events**

  The Government of Alberta Operations Centre (GEOC) was activated five times in 2008-09 in response to major emergency events.

  1) The first GEOC activation in 2008 was in April when a crude oil effluent pipeline leak was discovered 40 km west of the community of Smith near the Otauwau River. Approximately 125 barrels of oil was being pumped through this pipeline per day and an undetermined volume (less than 125 barrels) leaked from the pipeline into the Otauwau River. During the activation, the government worked with industry to minimize the safety and environmental impacts of the spill.
  2) The GEOC was activated for four days in May 2008 when heavy rainfall and high stream flows struck southwestern Alberta. The government worked with and supported local authorities in their response to the event and to minimize the impacts and damage from the flood.
  3) Again, in May 2008, the GEOC was activated when dozens of fires in the Slave Lake area became out of control. The government provided support and co-ordinated activities between the municipalities and First Nations responding to the fires.
  4) In July 2008, an oil pipeline that runs under the Red Deer River was compromised by flooding. The subsequent release of crude oil into the Red Deer River and downstream to Glennifer Lake necessitated a coordinated response between the company and several government departments. The GEOC was activated for four days to liaise and provide support while government worked with industry to respond to the spill and to minimize its impact.
  5) On February 13, 2009, the Alberta Emergency Management Agency was notified by the federal government that significant portion of a rocket body was about to re-enter the Earth's atmosphere and that the projected impact point was in the Calgary area. The GEOC was activated and a public warning was about to be released when an update arrived from the federal government that trajectory of the rocket had changed and there was no longer a threat to Alberta.

- The Alberta Emergency Management Agency leads the development of the Alberta Emergency Management System. The system is designed to mitigate, prepare for, respond to and recover from major emergencies and disasters.

It requires individual citizens, communities, industry and government work together to protect life, property and the environment during an emergency by providing a seamless synchronized response to emergencies.

- Under Strategy 6.1 of the 2008-2011 Business Plan – Increase the level of co-ordination the Alberta Emergency Management Agency provides to help its partners effectively collaborate within the provincial emergency management system. The agency revised the Alberta Emergency Plan in consultation with the other government departments and municipal stakeholders.
- $500,000 was granted for the 2008-09 fiscal year to deliver municipal fire services training.
- $125,000 was granted in fiscal year 2008-09 for programs that deliver wildlife-urban interface management.
- $150,000 was granted in fiscal year 2008-09 for emergency management training.
- $125,000 was granted in fiscal year 2008-09 for search and rescue service training.
- $40 million was allocated to six disaster recovery programs that were launched to assist residents, small businesses and municipal governments recover from uninsurable overland flood damage caused by severe storms and six municipal wildfire assistance programs to assist municipalities with the costs of fighting wildfires outside the Forest Protection Area.
- The AEMA facilitated the approval of 38 municipal requests for federal Joint Emergency Preparedness Program grants, totaling almost $425,000.
- In September 2008 and February 2009, the agency lead cross-government business continuity exercises to test and maintain the Government of Alberta Business Continuity Plan should computer networks become disabled.
- Responsibility for the accreditation, certification and setting standards for firefighter training moved from Lakeland College to the Alberta Emergency Management Agency, effective April 1, 2009. This change will ensure that emergency services training is delivered consistently across Alberta.

Performance Measure 6a

Measure

Percentage of claims where a member of the damage assessment team arrives on site within 30 days of a claim being received

Description: Legislation provides for Disaster Recovery Programs (DRP) to help Albertans recover from uninsurable losses resulting from disasters. The objective is to compensate them as quickly as possible. When a widespread disaster occurs, the branch starts with an initial evaluation. It advises the Minister on the potential for a DRP, its recommended geographical boundaries and the proposed exclusions and limitations to compensation. Private sector program administrators are alerted to the possibility of a program requiring their services. This measure does not include the agriculture component, which is measured by another department. In addition, the 30-day criterion does not include infrastructure damage assistance requests from municipal and provincial departments.

Once the Minister approves the program, citizens in the affected area are notified of the program, guidelines and venues where application and information packages will be made available. The program administrator receives applications and assigns priority to those in greatest need. In many cases, the evaluator will be on the scene the next day. The target is to have an evaluator on the scene within 30 days of receipt of any application.

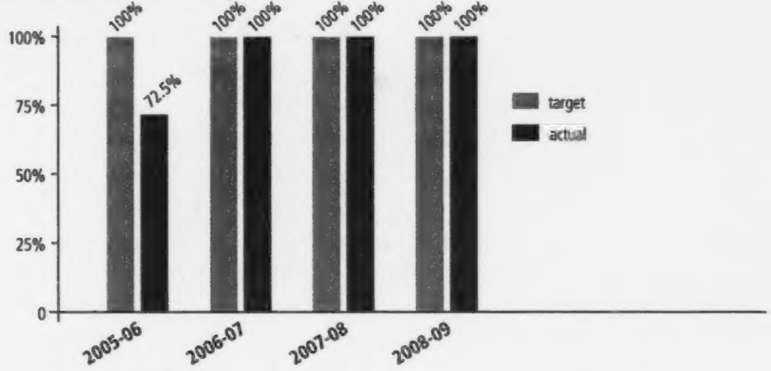
By measuring the percentage of applications where a damage evaluator arrives on site within 30 days of receipt of the application form, the branch can gauge success in achieving this objective.

Target: 100 per cent

Actual Results: The performance measure was achieved for the 2008-09 fiscal period.

*NOTE: Where there is an issue of eligibility and additional investigation and supporting documentation are required, the date the applicant is contacted and additional documentation is requested is the date used. Where the visit by the evaluator is delayed at the request of the applicant, the date the evaluator contacts the applicant is used for tracking purposes.

Disaster claims within 30 days



Additional Information:

- Where there is an issue of eligibility and additional investigation and supporting documentation are required, the date the applicant is contacted and additional documentation is requested is the date used.
- Where the visit by the evaluator is delayed at the request of the applicant, the date the evaluator contacts the applicant is used for tracking purposes.

Analysis: The 100 per cent performance measure target was achieved for all six disaster recovery programs (DRPs) during the fiscal program year.

Alberta continues to offer the most responsive and comprehensive disaster recovery program in Canada and the results for 2008-09 demonstrate the preparedness of the system and the efforts of program staff in achieving these results.

The Minister approved six DRPs in 2008-09. In all cases, the eligible applicants were evaluated within the 30-day performance measure period:

2008 Southwestern Alberta DRP: This program was approved July 30, 2008, for a series of severe rainstorms and high stream flow from May 19 to 25, 2008, that resulted in overland flooding and groundwater seepage in 12 municipalities in southwestern Alberta. A total of 220 residential small business applications have been received to date.

2008 City of St. Albert DRP: This program was approved July 30, 2008, in response to a severe rainstorm on June 17, 2008, which resulted in extensive overland flooding and infrastructure damage in the City of St. Albert. A total of 95 residential and small business applications were received.

2008 City of Lethbridge DRP: This program was approved July 30, 2008, in response to a severe rainstorm July 1, 2008, that resulted in extensive overland flooding and infrastructure damage in the City of Lethbridge. A total of 209 residential and small business applications were received.

2008 City of Red Deer DRP: This program was approved November 5, 2008, in response to a severe rainstorm August 8, 2008, that resulted in extensive overland flooding and infrastructure damage in the City of Red Deer. A total of 122 residential and small business applications were received.

2008 Southeastern Alberta DRP: This program was approved November 5, 2008, in response to a severe windstorm in southeastern Alberta on July 15, 2008, that resulted in extensive emergency operations and cleanup costs in six municipalities. This program was specific to municipal emergency operations costs and there were no residents or businesses eligible for assistance.

2009 City of Calgary DRP: This program was approved March 27, 2009, in response to a spring snow and rain storm, followed by a rapid melting on March 3, 2009, that resulted in overland flooding in the City of Calgary. No residential or small business applications were received by March 31, 2009.

The five eligible programs remain open for applications with an expected closure date for all programs of July 3, 2009.

Performance Measure 6b

Measure

The level of preparedness, as measured by the percentage of municipalities that have conducted an emergency management exercise in the last four years

Description: The *Emergency Management Act* assigns a majority of the responsibility and authority for response to emergencies and disasters to the local order of government. The Act specifies the powers of a local authority, which are available during a time of emergency or disaster and the act also specifies the structure and preparedness actions that the municipality is obliged to complete.

The Act recognizes that some local government organizations do not have sufficient resources to meet all of the obligations for structure or preparedness actions, so the act defines which forms of local governments are subject to the Act. The municipal organizations physically cover the entire landmass of Alberta (excluding First Nations reservations) with no overlap. The number of municipalities decreases annually as a result of dissolutions and amalgamations.

The *Emergency Management Act* states that each of the 312 local authorities "shall prepare and approve emergency plans and programs." These municipal emergency plans represent the recorded preparations of the municipality to respond to a disaster or emergency. In any given year, a municipality is considered to have demonstrated preparedness by exercising its plan if:

- it conducts a desk-top, functional or simulated exercise to assess the plan's effectiveness: or
- it activates its Municipal Emergency Plan in response to a real event, confirming that its plan and procedures are effective.

This performance measure is designed to demonstrate that all of the municipalities covered under the Act maintain their preparedness by exercising their municipal emergency plans at least once in the previous four-year period.

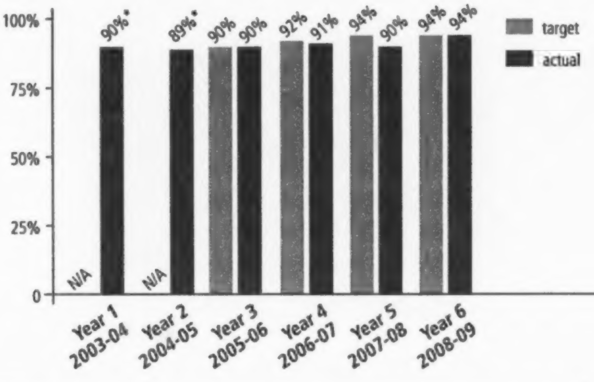
Target: 94 per cent

The target reflects the completion of one exercise for each municipality within a four-year moving window.

Actual Results: This performance measure was changed as of the 2005-06 fiscal year. The measure is now calculated as the percentage of municipalities exercising their municipal emergency plans in the last four years. In years prior to 2005-06, Municipal Affairs reported the cumulative percentage of municipalities who had exercised their municipal emergency plans in each year of a four-year cycle. These prior year figures have been restated to reflect this change in methodology. This change makes the performance measure more accurately reflect the mandate of the Alberta Emergency Management Agency.

Reviewed by Auditor General

Emergency preparedness testing



*NOTE: Restatement of 2003-04 and 2004-05 performance measures to reflect the methodology change introduced in 2005-06.

Although summer villages were re-introduced into the measure in 2007-08, they will not be included in calculating the measure until 2010-11 when the initial four-year cycle has been completed for these municipalities.

Analysis: The performance measure was met for 2008-09. The increase in the percentage of communities exercising their municipal emergency plans over 2007-08 is attributable to increased commitment of resources to support the region that was unable to meet targets in 2007-08.

Performance Measure 6c

Measure

Fire deaths per 100,000 population (10-year moving average)

Description: Fatalities occur in fires due to exposure to the products of combustion - smoke, flames and heat. Reducing fire injuries and deaths is important in maintaining Alberta as a safe place to live and raise families.

Protecting people from fire involves three approaches:

1. Prevention of fires;
2. Early detection and warning of fire and smoke with smoke/fire alarms; and
3. Proper emergency responses during fire emergencies.

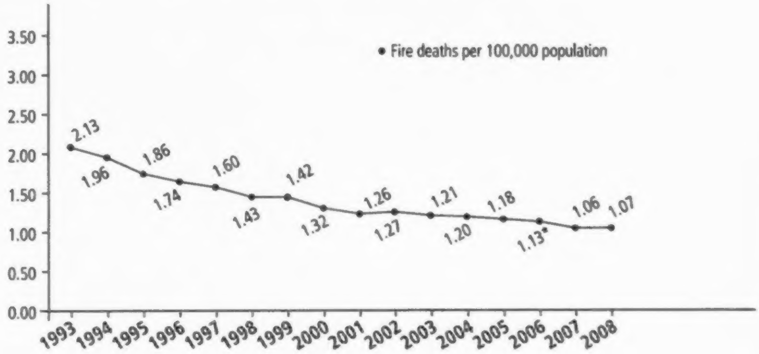
The effectiveness of all three approaches is reflected in the number of fires that occur and the resulting consequences in the form of injuries, deaths and property damage. This measurement is an effective indicator of the outcome of fire.

The Alberta government supports a variety of activities, such as public fire safety education programs, to achieve reductions in the number of fire deaths in the province. The fire deaths per 100,000 population measure is therefore a good overall fire safety and prevention indicator.

Target: Less than or equal to the 2007-08 actual of 1.06 fire deaths per 100,000 population (10-year moving average).

Actual Result.

Ten-year moving average of fire death rate per 100,000 population



Analysis: The target was not achieved, in that the 2008-09 fire death rate (10-year moving average) of 1.07 exceeds the previous year's fire death rate (10-year moving average) of 1.06. There is random variation in the total number of fire deaths in Alberta. The 10-year moving average provides an overall trend in Alberta fire deaths, which appears to be decreasing over time. The attached bar chart illustrates the reduction in the 10-year moving average death rate over the last 15 years.

The fire protection activities, implemented by the Alberta Emergency Management Agency, fall under four areas:

1. **Fire Commissioner;**
2. **Fire Statistics Information System;**
3. **Fire Public Education and Awareness Programs; and**
4. **Regional Services - Fire Safety and District Officers.**

The Alberta Emergency Management Agency conducted a wide range of activities in relation to the measure. The statistic is an indicator that programs and initiatives of the Alberta Emergency Management Agency are having a positive effect over the long term. Data is analyzed for changes in causes and trends that may require a shift in the focus of targeted public education programs.

Financial Information for Core Business 3

Manage the effective coordination of the provincial emergency management system

Fiscal 2009 Actual Compared to Fiscal 2009 Budget (thousands of dollars)

As reported on Schedule 5 to the Department of Municipal Affairs financial statements (pages 109 - 111 of the annual report) the core business 'Manage the effective coordination of the provincial emergency management system' details are as follows:

	2008-09 Estimates	Authorized Supplementary	2008-09 Authorized Budget	2008-09 Actual Expenses	Unexpended (Over Expended)
Emergency Management System					
Managing Director's Office	$ 938	$ —	$ 938	$ 1,535	$ (597)
Community Support Services	7,490	—	7,490	7,530	(40)
Preparedness Services	3,571	—	3,571	3,325	246
Strategic Corporate Services	1,868	—	1,868	1,430	438
Disaster Recovery	250	30,000	30,250	22,269	7,981
Emergency Preparedness grants	925	—	925	925	—
Ministry Support Services and Valuation Adjustment Allocation	2,342	—	2,342	2,133	209
	$ 17,384	$ 30,000	$ 47,384	$ 39,147	$ 8,237

The core business 'Manage the effective coordination of the provincial emergency management system' incurred expenses of $39.147 million for fiscal 2008-09; $8.237 million less than the authorized budget of $47.384 million or 17.4 per cent. The under-expenditure of $8.237 million is largely related to the Disaster Recovery program which was $7.981 million under expended. The $30.0 million in Authorized Supplementary was for disaster recovery programs approved by the province to provide financial assistance to Albertans impacted by disasters.

Ministry Support Services and Valuation Adjustment expenditures have been allocated to the core business 'Manage the effective coordination of the provincial emergency management system' based on the number of full-time equivalent employees.

Fiscal 2009 Actual Compared to Fiscal 2008 Actual (thousands of dollars):

	2008-09	2007-08	decrease
Manage the effective coordination of the provincial emergency management system	$ 39,147	$ 48,453	$ (9,306)

The 'Manage the effective coordination of the provincial emergency management system' core business incurred expenses of $39.147 million in 2008-09 compared to $48.453 million in 2007-08. The result was a decrease of $9.306 million or 19.2 per cent. The decrease is related to a decrease in Disaster Recovery expenses of $16.223 million which was offset by an increase in expenditures for Community Support and Preparedness services.

2008-09 PERFORMANCE MEASURES SOURCE AND METHODOLOGY

Goal 1: A responsive, collaborative, accountable and well-managed local government sector which is sustainable

Performance Measure 1a

Measure

Albertans' satisfaction with their local governments – Percentage satisfied

Data Source

The data for this measure is gathered as part of a nine-question telephone survey about Albertans' satisfaction with various aspects of their municipal governments. The results of the survey are based on a probability sample of 1,003 adults living in Alberta. A sample of 1,003 persons within the population produces results that are reliable within plus or minus 3.1 per cent 19 times out of 20. The sampling method was designed to complete 1,000 interviews within randomly selected households across Alberta. The sample was drawn in proportion to the populations of 12 urban centres (two Census Metropolitan Areas and 10 smaller urban municipalities) and three rural regions within the province, based on information from Statistics Canada 2006 data.

From within each multi-person household randomly selected, residents 18 years of age and older were screened for random selection using the "Most Recent Birthday" method. The contractor's report provides a detailed sampling methodology. Survey data, beyond what is in the final report, is stored with the contractor.

Methodology

The satisfaction survey data for the measure is drawn from a question which asks a sample of 1,003 Albertans about their overall satisfaction with their municipal government. The results are reported directly from the survey report; Municipal Affairs does not perform any further calculations for the performance measure. The survey is conducted in the fall of each year. For 2008-09, the survey was run from October 20 to 29, 2008.

This survey is conducted as part of an omnibus survey service provided by a private research firm, Environics Research Group Inc. The survey has been conducted by Environics Research Group Inc. since its first run, with the exception of 2005.

Measure

Percentage of municipalities meeting Ministry's criteria of financial accountability as established in the *Municipal Government Act*

Reviewed by the Auditor General

Performance Measure 1b

Data Source

The data used to calculate this measure comes primarily from the annual audited financial statements and the financial information returns which municipalities must submit to the Minister by May 1 for each year, pursuant to the MGA.

The Municipal Grants and Information Services Unit and the Municipal Advisory Resources and Internship Unit prepare the data, complete the required calculations and supply the supplementary information used for this measure. The information is collected for administrative purposes as well as for tabulating the measure.

The data used to calculate this measure is reported based upon a calendar year, which is the fiscal year for municipalities. The results reported in this measure are from the calendar year prior to the fiscal year in which they are reported (e.g. for 2008-09 annual reporting, Municipal Affairs reports municipal results from the 2007 calendar year). Financial data is stored in the Municipal Financial Information System.

Methodology

The required data sets are extracted from the Municipal Financial Information System using Microsoft Access and are compiled in an Excel™ spreadsheet. Point scores are calculated using Excel™ formulas where possible. Points for section 282 must be entered manually as would supplementary information regarding debt limit extensions and deficit recovery extensions. Supplementary information related to section 244 and 252 is entered manually into the Excel™ spreadsheet as required.

The measure is calculated based on a demerit point system weighting the 16 criteria as set out in sections 244, 252, 278 and 282 of the MGA. Municipalities meeting or exceeding 100 points are considered to be outside of the criteria for achieving financial accountability. The scoring system serves as a proxy measure. Scores of 100 points or more would be a solid indicator of an accountability problem and, if continued, would likely indicate a loss of financial sustainability.

GOAL 2: A well-managed, fair and efficient assessment and property tax system in which stakeholders have confidence

Performance Measure 2a

Measure

Percentage of municipal assessment rolls that meet provincial standards for procedures, uniformity and equity

Reviewed by the Auditor General

Data Source

By no later than January 31 of each year, all municipalities are required by the Alberta Assessment Quality Minister's Guidelines to submit assessment and sales data. Most municipalities uploaded their data directly into the province's web-based application, Assessment Shared Services Environment, through their Computer Assisted Mass Appraisal systems. Examples of the type of information submitted include the assessed value, the sale price for sold properties, legal descriptions and property characteristics, etc.

The calculation of median assessment ratios and assessment levels are part of stage one of the annual audit. The annual audit program is an important tool in measuring mass appraisal performance. Through ratio studies, the Assessment Audit Unit compares municipal assessments to market value indicators and verifies whether municipal assessments meet regulated quality standards. Because of the assessment audit cycle, the data upon which the 2008-09 measure is based reflects values and inventory from the 2007 assessment year. The fiscal year for municipalities is the calendar year.

Methodology

Under the Matters Relating to Assessment and Taxation Regulation, the quality standard specifies that the acceptable range for median assessment ratios is between 0.95 and 1.05.

The Assessment Shared Services Environment (ASSET) system calculates ratios of assessment to market value (sale price or indicator of market value) for sold properties in each value range/property type in the two property classes (residential and non-residential). The sub-grouping or stratification of the two classes is based on assessment value and property type.

The median assessment to sales ratio is calculated for each value range/property type stratum. Each median is then weighted by its respective total assessed value for that strata and a weighted mean is calculated for each of the two classes. The percentage of municipalities whose assessment levels fall within the acceptable range for each class is determined. The performance measure is the average of these two percentages.

Goal 3: Municipal Government Board administers appeals and issues timely and impartial decisions of high quality

Performance Measure 3a

Measure

Percentage of parties who appear before the Municipal Government Board who are satisfied or neutral regarding the Board's services and processes

Reviewed by the Auditor General

Data Source

A client satisfaction survey was conducted by Research Innovations Inc. and the hearing participant information provided from the Case Inc. Database of the Municipal Government Board (MGB).

Methodology

MGB staff designed database queries for the purpose of identifying all participants who attended MGB hearings. The staff ran queries listing all appellants, respondents and interveners that were attached to the hearings. Staff generated manual lists for attendees at annexations and subdivision hearings. Staff then found e-mail addresses or phone numbers for all parties and sent the list to Research Innovations Inc.

The methodology followed in conducting the survey and preparing the survey results is described in the consultant's final report.

The satisfaction scale used in the report is a five-point, anchored satisfaction scale (strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, strongly disagree). The scale that was used has a neutral midpoint, which can be a legitimate response.

Goal 4: A province-wide public library network that provides access to quality information resources and other library services

Performance Measure 4a

Measure

Usage of public library services by adult Albertans

Reviewed by the Auditor General

Data Source

The source for the data on this measure is the *Alberta Culture and Community Spirit - 2009 Survey of Albertans*, conducted by Banister Research & Consulting Inc.

Methodology

Consistent with surveys in previous years, 1,000 adult Albertans were interviewed in a province-wide telephone survey. Banister Research & Consulting Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had used a public library in the past 12 months. Interviews were conducted from February 11 to March 15, 2009.

Interviews were conducted by trained and experienced interviewers. The questionnaire was programmed into Banister Research's Computer Assisted Telephone Interviewing System (CATI). Using this system, data collection and data entry were simultaneous. Data was entered into a computer file while the interview was being conducted. A code list was established, and at least 10 per cent of each coder's work was verified. The margin of error is no greater than plus or minus 3.1 per cent at the 95 per cent confidence level. Public library use by adult Albertans may have been influenced by several factors such as library hours of operation, time constraints, other leisure activities and the increasing use of electronic sources of information, such as the Internet.

Core Business Two – Administer the Safety System to support the development and maintenance of safe and viable communities

Goal 5: A comprehensive system of safety codes and standards that provides an appropriate level of public safety

Performance Measure 5a

Measure

The percentage of assessed accredited municipal entities, corporations, agencies and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating

Reviewed by the Auditor General

Data Source

The accredited organizations scheduled for the year are assessed in their administration of the safety system throughout the year using a series of checklists. There has been no change in data collection methods used for accredited municipalities, corporations, authorized accredited agencies and DAOs. The municipal and corporate checklists are being migrated into the Safety Codes Council's eSITE program. The municipal and corporate checklist questions have been updated to reflect new Quality Management Plans.

Methodology

A benchmark of 70 per cent has been adopted as a satisfactory rating. This has not changed from previous years. The percentage of overall scores is computed for accredited municipal entities, corporations, agencies and delegated administrative organizations. This percentage is then weighted by the number of organizations assessed to produce the key performance statistic.

Accredited municipalities and corporations

Accredited municipalities and corporations are assessed at least once every three years on a rotating schedule, which is revised annually as entities' accreditation status changes. The files selected are from files closed in a recent 12 month period preceding a monitoring field visit. During the year, data is gathered by designated department staff for accredited municipalities and corporations and a score is computed for each completed checklist. The checklist scores for the Quality Management Plans (QMPs) for each discipline administered by an organization are then averaged to produce an overall score for that organization.

Each year, the schedule for monitoring accredited municipalities and corporations is determined as follows:

1) start with the prescribed one-third list;
2) add all those accredited entities from the previous year that scored less than satisfactory;
3) add municipal entities and corporations accredited in the previous year to the year's prescribed one-third list;
4) remove accredited entities that dissolved or discontinued their accreditations from the list;
5) where justified, remove organizations that request their monitoring to be postponed until the next year from the list; and
6) remove accredited corporations that have not engaged in activities that fall under the *Safety Codes Act* (these are carried forward until the corporation resumes activity).

Note: The corporation checklist will be revised in 2009 to better reflect current Quality Management Plans. The changes to the checklists do not materially impact whether or not the accredited corporation receives a satisfactory rating.

Delegated Administrative Organizations (DAOs) and Authorized Accredited Agencies

All DAOs are formally monitored annually in the same manner as previous years. DAO liaisons provide continuous assessment, monitoring and mentoring to the organization throughout the year.

All authorized accredited agencies under contract with the department are monitored monthly, closed files are reviewed quarterly, and administrative components and performance are reported annually. Contract management staff are in continual contact with the agencies and assist them in resolving emerging issues.

Performance Measure 5b

Measure

Tank Site Remediation Program – cumulative number of sites remediated

Data Source

Separate files are maintained for each site approved for remediation under the program. Information from these files is entered into two program management Excel™ databases that are used to manage and report on program progress. These separate databases are maintained to manage the remediation related to the two (2) funding pools referred to as Program 1 and Program 2. The databases are managed and reconciled monthly by the program director and selected program staff. A copy of these databases is retained on file at each month end.

A site is considered remediated for purposes of the Program when a signed and sealed Remediation Report is accepted from the Grant Recipient's Accredited Consulting Engineer, which certifies the site to be remediated in accordance with the Guidelines adopted by the Program. The Guidelines adopted by the Program are the Alberta Environment Risk Management Guidelines for Petroleum Storage Tank Sites (2001) as amended from time-to-time.

Methodology

Remediation Reports that are received by the Program Office are reviewed daily by technical program staff. When accepted, the status of the site is recorded as remediated in the appropriate program management Excel™ databases. In addition to the use of the databases for daily management and monthly reporting, program management can also generate a list of the sites remediated from the beginning of the program to the end of a selected month. The numbers of sites identified as remediated to March 31, 2009, in the two databases are added together to report the cumulative total number of sites remediated.

This performance measure was new in the 2008-11 Business Plan because prior to January 2007, the program was administered by the Safety Codes Council on behalf of Alberta Municipal Affairs. This measure adds value by providing a means to gauge the overall effectiveness of the multiple Program elements in achieving progress toward Business Plan Strategy 5.6.

Core Business Three –
Manage the effective coordination of the provincial emergency management system

Goal 6: A province-wide emergency management system that protects the people of Alberta, their property and the environment from the effects of emergency events

Performance Measure 6a

Measure

Percentage of claims where a member of the damage assessment team arrives on site within 30 days of a claim being received

Data Source

Separate files are maintained for each application within each program. Information contained in these files is entered into a Microsoft Access disaster recovery database. The disaster recovery database, which has been in use since July 1995, tracks all applications received and activities related to the processing of each application made under a Disaster Recovery Program.

Methodology

The database is used to identify the number of disaster recovery applications and the number of those applications where the damage evaluator arrived on the site within 30 days of receipt of the application. The measurement period is the fiscal program year from April 1, 2008 to March 31, 2009.

Eligible applications are those that fall within the program approval document authorized by the Minister. For example, an application for a property that is outside the approved program boundaries would be deemed ineligible.

The applications are collected in a separate database established for each Disaster Recovery Program. The database records all dates pertinent to the administration of the program and can be queried at any time. A query is done on the database to identify all applications received within the measurement period and their corresponding evaluation date. The performance measure is calculated as a simple percentage: the number of applications that satisfy the 30-day criterion divided by the total number of applications.

Performance Measure 6b

Measure

The level of preparedness, as measured by the percentage of municipalities that have conducted an emergency management exercise in the last four years

Reviewed by the Auditor General

Data Source

The source for the data on this measure is the compilation of quarterly data submitted by the seven district officers in Field Operations at the Alberta Emergency Management Agency. The cumulative fourth quarter report is used to extract the actual number of municipalities that have exercised their plans in the current year either through a coordinated exercise or an actual event, that have not previously exercised their plans in the current four-year period.

Methodology

A schedule is established for all municipalities to be exercised at least once every four fiscal years. All real events where the municipal emergency plan was exercised are included, when and as they happen, replacing the scheduled exercise in the calculation. All seven district officers compile and submit quarterly reports to the Director of Field Operations who maintains a four-year cumulative report for the current exercise window. This information is used to verify the required exercises or events for the municipality. If an exercise is a repeat, it is not included in the measure. Once the current four-year cumulative report by district is updated, a simple sum of the seven districts is calculated, which is divided by the total number of municipalities to produce a cumulative percentage.

This is a Microsoft Access database managed internally to allow for continuous improvement for tracking and security of information. Reports are generated from this database to identify the municipalities that exercised their plans during the fiscal four-year period.

Performance Measure 6c

Measure

Fire deaths per 100,000 population (10-year moving average)

Data Source

Section 9 of the Administrative Items Regulation AR 16/2004 under the *Safety Codes Act*, requires that a Safety Codes Officer for the fire discipline who investigates the causes and circumstances of a fire must immediately notify the Fire Commissioner if the fire has resulted in loss of life. Additional sources of information on fire deaths are: insurance companies/adjusters, Medical Examiner's Office and police departments. The total number of fire deaths is revised as information is received from these sources. Alberta Official Population data is obtained from the Alberta Municipal Affairs website.

Methodology

In 2008-09, continual improvements were made to the web-based application called the Fire Electronic Reporting System (FERS) to enable fire departments and insurance professionals to input fire incident data online. The Fire Statistics Reporting Manual and fire incident reports are also posted on the Alberta Emergency Management Agency website to enable reporting agencies easy online access to fire reporting.

The data is collected in either hard copy or electronically through FERS. Data from the hard copies is keyed into the system and validated and then fire death figures are extracted using a SAS software program and manually entered into an Excel™ spreadsheet. The Alberta population figures are then entered in to the Excel™ spreadsheet to calculate the fire death rates, which are plotted in a bar-chart as 10-year moving averages. The data and the measure relate to a calendar year, which is consistent with reports produced by Statistics Canada and other jurisdictions, enabling comparisons.

The formula for fire death rate for each year is as follows:

$$\left(\frac{\text{Revised number of fire deaths per year}}{\text{Population}} \right) \text{x} \quad 100{,}000$$

The fire death rate for the current year and each of the preceding nine years are averaged to produce the 10-year moving average statistic.

FINANCIAL INFORMATION

Ministry of Municipal Affairs
Financial Statements 73

Department of Municipal Affairs
Financial Statements 93

Safety Codes Council
Financial Statements 116

Statement of Revenues and Expenditures of the
Improvement Districts' Trust Account – Summary UNAUDITED* 131

Special Areas Trust Account
Financial Statements 133

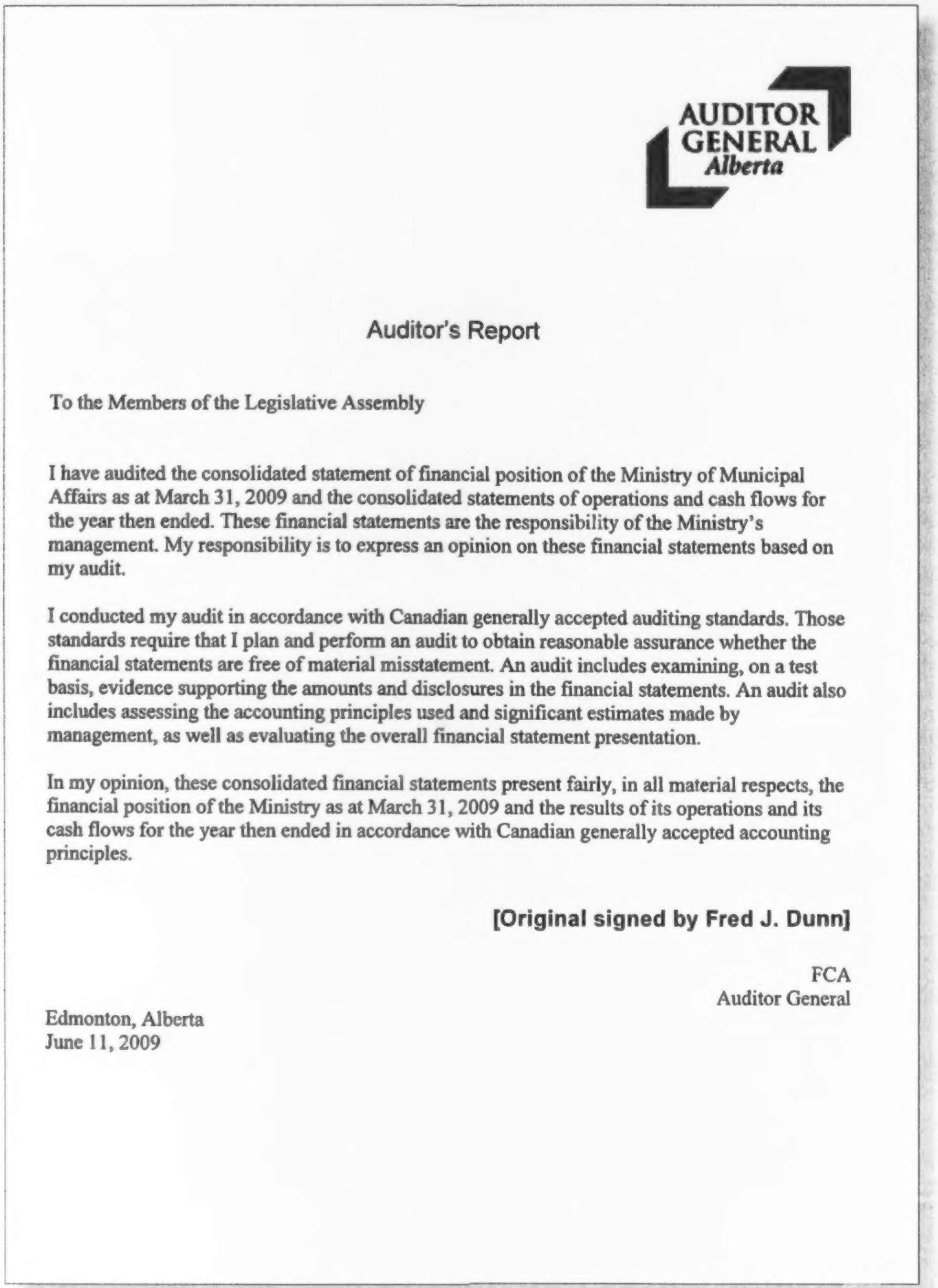
*NOTE TO READER: The unaudited financial information being presented here was derived from the December 31, 2008, audited financial statements of each Improvement District.

Ministry of Municipal Affairs

Consolidated Financial Statements

March 31, 2009

Auditor's Report
Consolidated Statement of Operations
Consolidated Statement of Financial Position
Consolidated Statement of Cash Flows
Notes to the Consolidated Financial Statements
Schedules to the Consolidated Financial Statements:
1 Revenues
2 Expenses- Directly Incurred Detailed by Object
3 Budget
4 Related Party Transactions
5 Allocated Costs



AUDITOR
GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Municipal Affairs as at March 31, 2009 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]

FCA
Auditor General

Edmonton, Alberta
June 11, 2009

MINISTRY OF MUNICIPAL AFFAIRS
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual
	(Schedule 3)		(Restated- Note 3)
Revenues (Schedule 1)			
Internal Government Transfers	$ 26,000	$ 26,000	$ 26,000
Transfers from Government of Canada	-	2,054	13,290
Premiums, Fees and Licences	406	485	511
Other Revenue	2,072	2,943	5,096
Net (Loss) Income from Commercial Operations	(1,039)	(919)	666
	27,439	30,563	45,563
Expenses - Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedule 2)			
Ministry Support Services	13,355	12,011	10,673
Local Government Services	619,009	613,120	405,613
Public Safety	17,262	16,439	13,781
Alberta Emergency Management Agency	15,042	37,014	47,527
Municipal Government Board	3,960	4,230	3,839
Library Services	22,510	21,649	24,586
	691,138	704,463	506,019
Statutory Expenses			
Valuation Adjustments			
Provision for Vacation Pay	200	335	638
	691,338	704,798	506,657
Net Operating Results	$ (663,899)	$ (674,235)	$ (461,094)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF MUNICIPAL AFFAIRS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2009
(in thousands)

	2009	2008 (Restated- Note 3)
ASSETS		
Cash	$ -	$ 309
Accounts Receivable (Note 5)	115,671	113,582
Loans and Advances	9	9
Tangible Capital Assets (Note 7)	3,030	2,622
Deferred Charge	48	111
Equity in Commercial Operations (Note 4)	5,254	6,173
	$ 124,012	$ 122,806
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 81,982	$ 96,339
NET ASSETS		
Net Assets at Beginning of Year	26,467	31,261
Net Operating Results	(674,235)	(461,094)
Net Financing Provided from General Revenues	689,798	456,300
Net Assets at End of Year	42,030	26,467
	$ 124,012	$ 122,806

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF MUNICIPAL AFFAIRS
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended March 31, 2009
(in thousands)

	2009 Actual	2008 Actual (Restated- Note 3)
Operating Transactions		
Net Operating Results	$ (674,235)	$ (461,094)
Non-cash items included in Net Operating Results:		
Amortization of Tangible Capital Assets	1,526	1,777
Amortization of Deferred Financing Charges	63	108
Valuation Adjustments	335	638
Net (Loss) Income from Commercial Operations	919	(666)
	(671,392)	(459,237)
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	(2,089)	10,813
(Decrease) in Accounts Payable and Accrued Liabilities	(14,692)	(9,192)
Cash Applied to Operating Transactions	(688,173)	(457,616)
Capital Transactions		
Acquisition of Tangible Capital Assets	(1,934)	(866)
Cash Provided by Capital Transactions	(1,934)	(866)
Financing Transactions		
Net Financing from General Revenues	689,798	456,300
Cash Provided by Financing Transactions	689,798	456,300
Decrease in Cash and Cash Equivalents	(309)	(2,182)
Cash and Cash Equivalents, Beginning of Year	309	2,491
Cash and Cash Equivalents, End of Year	$ -	$ 309

The accompanying notes and schedules are part of these consolidated financial statements.

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Municipal Affairs operates under the authority of the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.* The Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also disclosed in Note 2(a).

The Ministry works in partnership with Alberta's municipalities, other provincial government departments, our federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

This is done by:

- Assists municipalities in providing well-managed, collaborative, and accountable local government to Albertans.
- Administers a safety system that strives to ensure appropriate safety standards for the construction and maintenance of buildings and equipment.
- Manages the network of municipal and library system boards to provide province-wide access to high-quality public library services for Albertans.
- The Alberta Emergency Management Agency reports directly to the Minister and is responsible for co-ordinating a comprehensive, cross-government, all-hazards approach to managing emergencies in the province.
- The Municipal Government Board is an independent, quasi-judicial board that conducts hearings and renders decisions on such matters as property assessment, and provides recommendations to Cabinet on matters defined under the *Municipal Government Act*, such as contested annexations.
- Managing 2.8 million acres of public land in the Special Areas and provides municipal services to the dryland region in eastern Alberta through the Special Areas Board.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statement presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Municipal Affairs for which the Minister of Municipal Affairs is accountable. The *Government Accountability Act* defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible. These consolidated financial statements include the accounts of the Department of Municipal Affairs *(Government Organization Act)* and the Safety Codes Council (*Safety Codes Act*). The Ministry is also responsible for the Improvement Districts' Trust Account and Special Areas Trust Account, the activities of which are not included in these consolidated financial statements except by way of disclosure in Note 10.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(a) Reporting Entity (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Consolidation

The accounts of the Safety Codes Council are reported on the modified equity basis, the equity being computed in accordance with generally accepted accounting principles.

The Ministry's Annual Report for the year ended March 31, 2009 includes the Safety Codes Council audited financial statements for the year ended December 31, 2008.

(c) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 5.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets, less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Net Assets

Net assets represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Estimates relating to the determination of the Government of Canada accounts receivable $115,665 (2008-$113,537), the accrued liabilities for the Disaster Recovery Program $47,466 (2008-$68,744) and Tank Site Remediation Program $9,078 (2008- $11,524) as disclosed in these consolidated financial statements are subject to measurement uncertainty.

The Government of Canada accounts receivable is related to Disaster Recovery Programs that meet the eligibility criteria of the Disaster Financial Assistance Arrangements. The nature of the uncertainty for the Government of Canada accounts receivable and Disaster Recovery Program accrued liabilities arises from the changes in the actual disaster costs to the estimated disaster costs. These changes can be attributed to such factors as construction cost fluctuations, receipt of eligible claims, and the level of work and time required to recover from disaster events.

NOTE 3 GOVERNMENT RESTRUCTURING & PROGRAM TRANSFERS

(in thousands)

On March 12, 2008, the government announced new ministry structures. As a result, the Ministry of Municipal Affairs and Housing was renamed Ministry of Municipal Affairs. Housing programs were transferred to the newly established Ministry of Housing and Urban Affairs, and the community and voluntary services programs were transferred to the newly established Ministry of Culture and Community Spirit. Comparatives for 2008 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net assets on March 31, 2007 is made up as follows:

Net assets as previously reported	$ 366,661
Net assets transferred to the Ministry of Housing and Urban Affairs	(335,850)
Net liabilities transferred to the Ministry of Culture and Community Spirit	450
Net assets at March 31, 2007	$ 31,261

NOTE 4 EQUITY IN COMMERCIAL OPERATIONS

(in thousands)

For the year ended December 31:

	2008	2007
Equity in Commercial Operations, Beginning of Year	$ 6,173	$ 5,507
Total Revenues	4,582	5,061
Total Expenses	(5,501)	(4,390)
Other Adjustments	-	(5)
Equity in Commercial Operations, End of Year	$ 5,254	$ 6,173

Equity in commercial operations is soley the Safety Codes Council.

NOTE 5 ACCOUNTS RECEIVABLE

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated- Note 3)
Government of Canada	$ 115,665	$ -	$ 115,665	$ 113,537
Other	99	93	6	45
	$ 115,764	$ 93	$ 115,671	$ 113,582

Accounts receivable are unsecured and non-interest bearing.

NOTE 6 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

(in thousands)

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable (other than Disaster Recovery accounts receivable), advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Disaster Recovery accounts receivable $113,888 (2008-$111,797), as included in the Government of Canada accounts receivable, is a long term financial instrument and non-interest bearing. As a result, the Ministry believes the fair value of this financial instrument to be less than its carrying value. However, due to the uncertainty as to the eventual collection or repayment date of this financial instrument, the Ministry is unable to estimate the fair value.

NOTE 7 TANGIBLE CAPITAL ASSETS

(in thousands)

	2009			2008
	Equipment	Computer hardware and software	Total	Total (Restated- Note 3)
Estimated useful life	10 years	5 years		
Historical Cost				
Beginning of year	$ 1,370	$ 14,161	$ 15,531	$ 14,665
Additions	478	1,456	1,934	866
Disposals, including write-downs	-	(1,936)	(1,936)	-
	$ 1,848	$ 13,681	$ 15,529	$ 15,531
Accumulated Amortization				
Beginning of year	$ 919	$ 11,990	$ 12,909	$ 11,130
Amortization expense	170	1,356	1,526	1,779
Effect of disposals	-	(1,936)	(1,936)	-
	$ 1,089	$ 11,410	$ 12,499	$ 12,909
Net book value at March 31, 2009	$ 759	$ 2,271	$ 3,030	
Net book value at March 31, 2008	$ 451	$ 2,171		$ 2,622

NOTE 8 CONTRACTUAL OBLIGATIONS

(in thousands)

	2009	2008 (Restated- Note 3)
Operating Expense		
Service Contracts	$ 12,196	$ 17,818
Agreements [1]	10,312,537	10,923,105
Long-Term Leases	7	67
	$ 10,324,740	$ 10,940,990

[1] Included in agreements is an amount of $10,300,000 for the Municipal Sustainability Initiative. This is a 10 year agreement which began in 2007-08 between the Ministry of Municipal Affairs and Alberta municipalities for capital and operating purposes. The funding is subject to the annual appropriation of the Legislature.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Agreements	Long-Term Leases	Total
2009-10	$ 4,735	$ 408,781	$ 7	$ 413,523
2010-11	4,297	1,203,656	-	1,207,953
2011-12	2,578	1,287,100	-	1,289,678
2012-13	293	1,471,000	-	1,471,293
2013-14	293	1,742,000	-	1,742,293
Thereafter	-	4,200,000	-	4,200,000
	$ 12,196	$ 10,312,537	$ 7	$ 10,324,740

NOTE 9 CONTINGENT LIABILITIES

($ in thousands)

At March 31, 2009 the Ministry is a defendant in nine legal claims (2008 – nine legal claims). Six of these claims have specified amounts totaling $53,891 and the remaining three have no specified amount (2008 – seven claims with a specified amount of $77,383 and two with no specified amount). Included in the total legal claims are six claims amounting to $53,386 (2008 – seven claims amounting to $56,386) in which the Ministry has been jointly named with other entities. Three claims amounting to $3,220 (2008 – four claims amounting to $3,386) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's consolidated financial statements.

NOTE 10 TRUST FUNDS UNDER ADMINISTRATION (continued)

(in thousands)

The financial statements of the following trust funds are prepared on a calendar year basis and the net assets as disclosed in the audited financial statements of the trust funds for December 31, 2008 and December 31, 2007 are as follows:

	2008	2007
Special Areas Trust Account	$ 82,105	$ 81,583
Improvement Districts' Trust Account	5,686	5,129
	$ 87,791	$ 86,712

NOTE 11 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry has entered into agreements to deliver programs and services that are funded by:

- The Federal Office of Critical Infrastructure Protection and Emergency Preparedness Program which is designed to provide financial assistance, on a cost-shared basis with municipalities, to fund projects that will develop or enhance a regional emergency response capability.
- The National Search and Rescue Secretariat to deliver search and rescue projects under the Federal Government's New Search and Rescue Initiatives Fund.
- Indian and Northern Affairs Canada to deliver the Alberta First Nations Emergency Planning Program.
- Alberta Risk Protocol is a project to develop a community based all hazards risk management protocol.
- Emergency Services Workers Agreement allows for the partial recovery of Workers' Compensation Board (WCB) costs.

Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $1,777 (2008 - $1,702) and accounts payable includes $822 (2008 - $1,348) relating to payments under agreement.

Amounts paid and payable under agreement are as follows:

	2009	2008
Joint Emergency Preparedness Program	$ 869	$ 1,268
First Nations Emergency Planning Program	568	504
Alberta Risk Protocol	-	144
	$ 1,437	$ 1,916

NOTE 12 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $3,439 for the year ended March 31, 2009 (2008 - $3,083).

NOTE 12 DEFINED BENEFIT PLANS (continued)

(in thousands)

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 - $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 - $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 - surplus of $1,510).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 - $6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 (2008 - actuarial surplus of $7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 13 COMPARATIVE FIGURES

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

NOTE 14 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
Revenues
Year ended March 31, 2009
(in thousands)

Schedule 1

	2009		2008
	Budget	Actual	Actual (Restated- Note 3)
Internal Government Transfers			
Transfer from the Lottery Fund	$ 26,000	$ 26,000	$ 26,000
Transfers from the Government of Canada			
Disaster Assistance Programs	-	2,091	13,290
Other	-	(37)	-
	-	2,054	13,290
Premiums, Fees and Licences	406	485	511
Other Revenue			
Dedicated Revenue Initiatives	1,827	1,827	1,724
Refunds of Expenditure	155	1,113	3,364
Miscellaneous	90	3	8
	2,072	2,943	5,096
Net (Loss) Income from Commercial Operations	(1,039)	(919)	666
	$ 27,439	$ 30,563	$ 45,563

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS Schedule 2
Expenses- Directly Incurred by Object
Year ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual (Restated- Note 3)
Voted:			
Salaries, Wages and Employee Benefits	$ 42,296	$ 38,941	$ 35,700
Supplies and Services	25,397	27,995	23,280
Grants	621,056	635,883	445,200
Financial Transactions and Other	62	118	62
Amortization of Tangible Capital Assets	2,327	1,526	1,777
Total Voted Expenses	$ 691,138	$ 704,463	$ 506,019

Statutory:			
Valuation Adjustments			
Provision for Vacation Pay	$ 200	$ 335	$ 638

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
Budget
Year ended March 31, 2009
(in thousands)

Schedule 3

	2008-2009				
	Estimates	Adjustments (a)	Budget	Supplementary (b)	Authorized Budget
Revenues					
Internal Government Transfers	$ 26,000	$ -	$ 26,000	$ -	$ 26,000
Transfers from Government of Canada	-	-	-	-	-
Premiums, Fees and Licences	406	-	406	-	406
Other Revenue	2,072	-	2,072	-	2,072
Net (Loss) Income from Commercial Operations	(1,039)	-	(1,039)	-	(1,039)
	27,439	-	27,439	-	27,439
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	13,355	-	13,355	-	13,355
Local Government Services	619,009	-	619,009	-	619,009
Public Safety	17,262	-	17,262	(2,500)	14,762
Alberta Emergency Management Agency	15,042		15,042	30,000	45,042
Municipal Government Board	3,960	-	3,960	-	3,960
Library Services	22,510	-	22,510	-	22,510
	691,138	-	691,138	27,500	718,638
Statutory Expenses					
Valuation Adjustments					
Provision for Vacation Pay	200	-	200	-	200
	200	-	200	-	200
	691,338	-	691,338	27,500	718,838
Net Operating Results	$ (663,899)	$ -	$ (663,899)	$ (27,500)	$ (691,399)
Equipment/Inventory Purchases (EIP)	$ 1,190	$ -	$ 1,190	$ -	$ 1,190

(a) Adjustments include encumbrances and dedicated revenue shortfalls. In the event that actual voted Expense, EIP and Capital Investment in the prior year exceed that authorized, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount voted in the current year.

(b) Supplementary Estimates were approved on December 4, 2008. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS Schedule 4
Related Party Transactions
Year ended March 31, 2009
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's consolidated financial statements. Related parties also include management in the Department.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2009	2008 (Restated- Note 3)
Revenues		
Lottery Fund	$ 26,000	$ 26,000
Expenses - Directly Incurred		
Business and Technology Services	$ 296	$ 497
Insurance	74	41
Other	-	2
	$ 370	$ 540
Accounts Receivable from:		
Service Alberta	$ -	$ 6

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
Related Party Transactions
Year ended March 31, 2009
(in thousands)

Schedule 4
(continued)

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the consolidated financial statements but are disclosed in Schedule 5.

	Other Entities	
	2009	2008 (Restated- Note 3)
Expenses - Incurred by Others (Schedule 5)		
Accommodation	$ 5,677	$ 4,730
Air Transportation/Executive Vehicles	150	58
Internal Audit	-	88
Business Services	1,334	1,344
Legal	747	681
	$ 7,908	$ 6,901

The Ministry paid $36,416 (2008 - $35,855) of grants in place of taxes on behalf of other ministries.

MINISTRY OF MUNICIPAL AFFAIRS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
Allocated Costs
Year ended March 31, 2009
(in thousands)

Schedule 5

	2009							2008
		Expenses - Incurred by Others			Valuation Adjustments (5)			
Program	Expenses (1)	Accommodation Costs (2)	Business Services (3)	Legal/ Internal Audit Services (4)	Vacation Pay	Doubtful Accounts	Expenses	Expenses (Restated- Note 3)
Ministry Support Services	$ 12,011	$ 1,042	$ 1,484	$ 84	$ 87	$ -	$ 14,708	$ 13,279
Local Government Services	613,120	2,394	-	380	87	-	615,981	408,151
Public Safety	16,439	1,141	-	112	75	-	17,767	15,018
Alberta Emergency Management Agency	37,014	644	-	160	58	-	37,876	48,196
Municipal Government Board	4,230	381	-	6	23	-	4,640	4,192
Library Services	21,649	75	-	5	5	-	21,734	24,722
	$ 704,463	$ 5,677	$ 1,484	$ 747	$ 335	$ -	$ 712,706	$ 513,558

(1) Expenses - directly incurred as per consolidated statement of operations, excluding valuation adjustments.

(2) Cost shown for accommodation on Schedule 4, allocated by number of employees.

(3) Business Services includes financial and administrative services and air transportation and executive vehicle services, allocated by estimated costs incurred in each program.

(4) Cost shown for legal and internal audit services on Schedule 4, allocated by estimated costs incurred by each program.

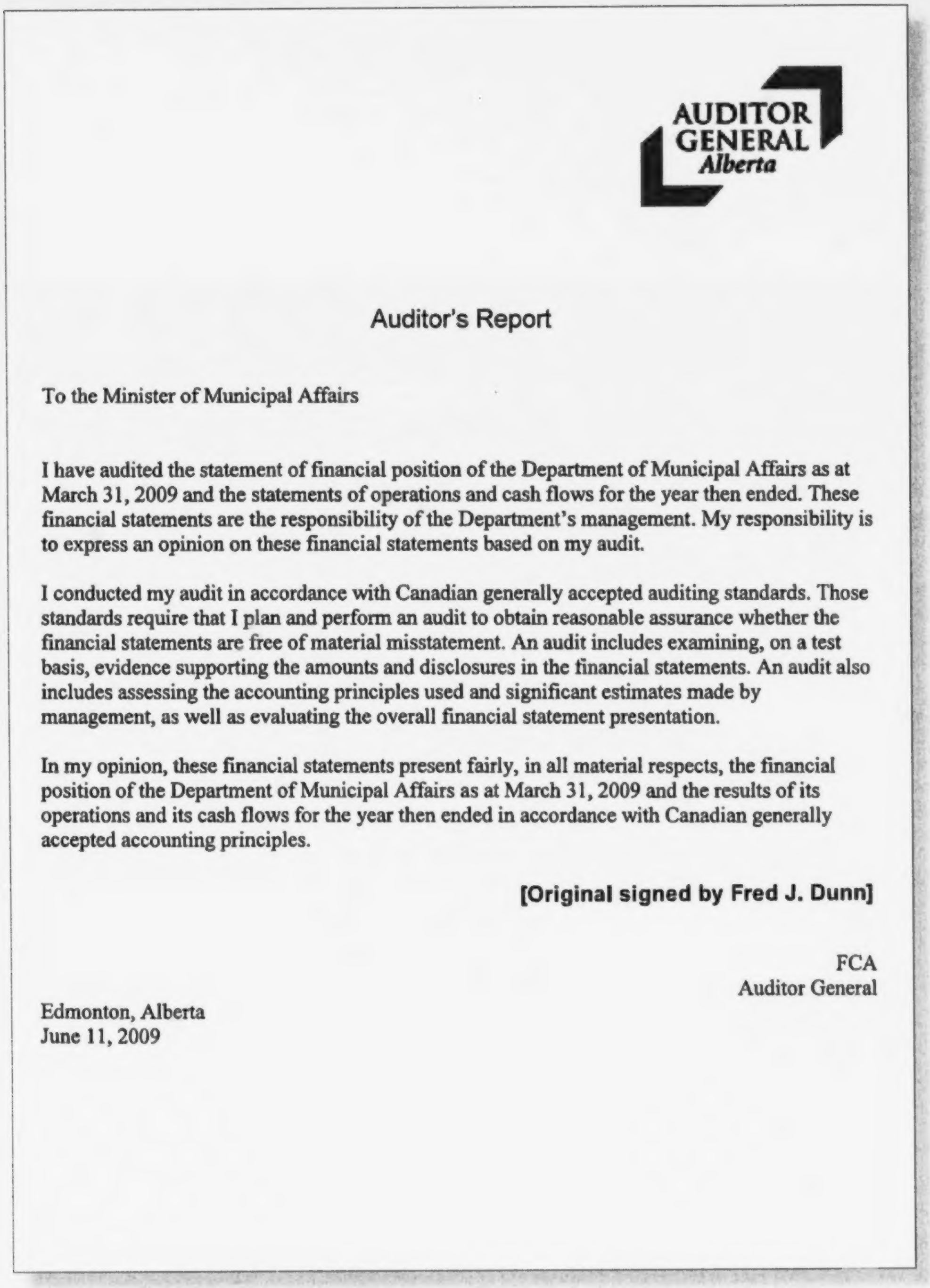
(5) Valuation adjustments as per consolidated statement of operations. Employee benefits and doubtful accounts provision included in valuation adjustments were allocated as follows:
    - Vacation pay - allocated to the program by employee,
    - Doubtful accounts provision - estimated allocation to program.

Department of Municipal Affairs

Financial Statements

March 31, 2009

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flows
Notes to the Financial Statements
Schedules to the Financial Statements:
  1 Revenues
  2 Dedicated Revenue Initiatives
  3 Expenses- Directly Incurred Detailed by Object
  4 Budget
  5 Comparison of Expenses- Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
  6 Salary and Benefits Disclosure
  7 Related Party Transactions
  8 Allocated Costs



AUDITOR
GENERAL
Alberta

Auditor's Report

To the Minister of Municipal Affairs

I have audited the statement of financial position of the Department of Municipal Affairs as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department of Municipal Affairs as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]

FCA
Auditor General

Edmonton, Alberta
June 11, 2009

DEPARTMENT OF MUNICIPAL AFFAIRS
STATEMENT OF OPERATIONS
Year ended March 31, 2009
(in thousands)

	2009		2008
	Budget (Schedule 4)	Actual	Actual (Restated- Note 3)
Revenues (Schedule 1)			
Internal Government Transfers	$ 26,000	$ 26,000	$ 26,000
Transfers from the Government of Canada	-	2,054	13,290
Premiums, Fees and Licences	406	485	511
Other Revenue	2,072	2,943	5,096
	28,478	31,482	44,897
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	13,355	12,011	10,673
Local Government Services	619,009	613,120	405,613
Public Safety	17,262	16,439	13,781
Alberta Emergency Management Agency	15,042	37,014	47,527
Municipal Government Board	3,960	4,230	3,839
Library Services	22,510	21,649	24,586
	691,138	704,463	506,019
Statutory			
Valuation Adjustments			
Provision for Vacation Pay	200	335	638
	691,338	704,798	506,657
Net Operating Results	$ (662,860)	$ (673,316)	$ (461,760)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF MUNICIPAL AFFAIRS
STATEMENT OF FINANCIAL POSITION
As at March 31, 2009
(in thousands)

	2009	2008 (Restated- Note 3)
ASSETS		
Cash and Cash Equivalents	$ -	$ 309
Accounts Receivable (Note 4)	115,671	113,582
Loans and Advances	9	9
Tangible Capital Assets (Note 6)	3,030	2,622
Deferred Charge	48	111
	$ 118,758	$ 116,633
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 81,982	$ 96,339
NET ASSETS		
Net Assets at Beginning of Year	20,294	25,754
Net Operating Results	(673,316)	(461,760)
Net Financing Provided from General Revenues	689,798	456,300
Net Assets at End of Year	36,776	20,294
	$ 118,758	$ 116,633

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF MUNICIPAL AFFAIRS
STATEMENT OF CASH FLOWS
Year ended March 31, 2009
(in thousands)

	2009 Actual	2008 Actual (Restated- Note 3)
Operating Transactions		
Net Operating Results	$ (673,316)	$ (461,760)
Non-cash items included in Net Operating Results:		
Amortization	1,526	1,777
Deferred Charge	63	108
Valuation Adjustment	335	638
	(671,392)	(459,237)
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	(2,089)	10,813
Increase in Accounts Payable and Accrued Liabilities	(14,692)	(9,192)
Cash Applied to Operating Transactions	(688,173)	(457,616)
Capital Transactions		
Acquisition of Tangible Capital Assets	(1,934)	(866)
Cash applied to Capital Transactions	(1,934)	(866)
Financing Transactions		
Net Financing Provided from General Revenues	689,798	456,300
Cash Provided by Financing Transactions	689,798	456,300
(Decrease) in Cash and Cash Equivalents	(309)	(2,182)
Cash and Cash Equivalents, Beginning of Year	309	2,491
Cash and Cash Equivalents, End of Year	$ -	$ 309

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF MUNICIPAL AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2009

NOTE 1 AUTHORITY AND PURPOSE

The Department of Municipal Affairs operates under the authority of the *Government Organization Act* , Chapter G-10, Revised Statutes of Alberta 2000.

The Department works in partnership with Alberta's municipalities, other provincial government departments, our federal partners, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective, accountable and well-managed local governments.

This is done by:

- Assists municipalities in providing well-managed, collaborative, and accountable local government to Albertans.
- Administers a safety system that strives to ensure appropriate safety standards for the construction and maintenance of buildings and equipment.
- Manages the network of municipal and library system boards to provide province-wide access to high-quality public library services for Albertans.
- The Alberta Emergency Management Agency reports directly to the Minister and is responsible for co-ordinating a comprehensive, cross-government, all-hazards approach to managing emergencies in the province.
- The Municipal Government Board is an independent, quasi-judicial board that conducts hearings and renders decisions on such matters as property assessment, and provides recommendations to Cabinet on matters defined under the *Municipal Government Act* , such as contested annexations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statement presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Department of Municipal Affairs which is part of the Ministry of Municipal Affairs for which the Minister of Municipal Affairs is accountable. The other entity reporting to the Minister is the Safety Codes Council, the activities of which are not included in these financial statements. The Department is also responsible for the Improvement Districts' Trust Account and Special Areas Trust Account, the activities of which are not included in these financial statements except by way of disclosure in Note 9 to these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Department's operations for which the Minister is accountable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Dedicated Revenue

Dedicated Revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Incurred by Others

Services contributed by other entities in support of the Department operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the fair values of these physical assets, less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Net Assets

Net assets represents the difference between the carrying value of assets held by the Department and its liabilities.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Estimates relating to the determination of the Government of Canada accounts receivable $115,665 (2008-$113,537), the accrued liabilities for the Disaster Recovery Program $47,466 (2008-$68,744) and Tank Site Remediation Program $9,078 (2008-$11,524), as disclosed in these financial statements are subject to measurement uncertainty.

The Government of Canada accounts receivable is related to Disaster Recovery Programs that meet the eligibility criteria of the Disaster Financial Assistance Arrangements. The nature of the uncertainty for the Government of Canada accounts receivable and Disaster Recovery Program accrued liabilities arises from the changes in the actual disaster costs to the estimated disaster costs. These changes can be attributed to such factors as construction cost fluctuations, receipt of eligible claims, and the level of work and time required to recover from disaster events.

NOTE 3 GOVERNMENT RESTRUCTURING & PROGRAM TRANSFERS

(in thousands)

On March 12, 2008, the government announced new ministry structures. As a result, the Department of Municipal Affairs and Housing was renamed Department of Municipal Affairs. Housing programs were transferred to the newly established Department of Housing and Urban Affairs, and the community and voluntary services programs were transferred to the newly established Department of Culture and Community Spirit. Comparatives for 2008 have been restated as if the Department had always been assigned with its current responsibilities.

Net assets on March 31, 2007 is made up as follows:

Net liabilities as previously reported	$ (132,338)
Net liabilities transferred to the Department of Housing and Urban Affairs	157,642
Net liabilities transferred to the Department of Culture and Community Sprit	450
Net assets at March 31, 2007	$ 25,754

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated- Note 3)
Government of Canada	$ 115,665	$ -	$ 115,665	$ 113,537
Other	99	93	6	45
	$ 115,764	$ 93	$ 115,671	$ 113,582

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

(in thousands)

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable (other than Disaster Recovery accounts receivable), advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Disaster Recovery accounts receivable $113,888 (2008-$111,797), as included in the Government of Canada accounts receivable, is a long term financial instrument and non-interest bearing. As a result, the Department believes the fair value of this financial instrument to be less than its carrying value. However, due to the uncertainty as to the eventual collection or repayment date of this financial instrument, the Department is unable to estimate the fair value.

NOTE 6 TANGIBLE CAPITAL ASSETS

(in thousands)

	2009			2008
	Equipment	Computer hardware and software	Total	Total (Restated- Note 3)
Estimated useful life	10 years	5 years		
Historical Cost				
Beginning of year	$ 1,370	$ 14,161	$ 15,531	$ 14,665
Additions	478	1,456	1,934	866
Disposals, including write-downs	-	(1,936)	(1,936)	-
	$ 1,848	$ 13,681	$ 15,529	$ 15,531
Accumulated Amortization				
Beginning of year	$ 919	$ 11,990	$ 12,909	$ 11,130
Amortization expense	170	1,356	1,526	1,779
Effect of disposals	-	(1,936)	(1,936)	-
	$ 1,089	$ 11,410	$ 12,499	$ 12,909
Net book value at March 31, 2009	$ 759	$ 2,271	$ 3,030	
Net book value at March 31, 2008	$ 451	$ 2,171		$ 2,622

NOTE 7 CONTRACTUAL OBLIGATIONS

(in thousands)

	2009	2008 (Restated- Note 3)
Operating Expense		
Service Contracts	$ 12,196	$ 17,818
Agreements [1]	10,312,537	10,923,105
Long-Term Leases	7	67
	$ 10,324,740	$ 10,940,990

[1] Included in agreements is an amount of $10,300,000 for the Municipal Sustainability Initiative. This is a 10 year agreement which began in 2007-08 between the Department of Municipal Affairs and Alberta municipalities for capital and operating purposes. The funding is subject to the annual appropriation of the Legislature.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Agreements	Long-Term Leases	Total
2009-10	$ 4,735	$ 408,781	$ 7	$ 413,523
2010-11	4,297	1,203,656	-	1,207,953
2011-12	2,578	1,287,100	-	1,289,678
2012-13	293	1,471,000	-	1,471,293
2013-14	293	1,742,000	-	1,742,293
Thereafter	-	4,200,000	-	4,200,000
	$ 12,196	$ 10,312,537	$ 7	$ 10,324,740

NOTE 8 CONTINGENT LIABILITIES

($ in thousands)

At March 31, 2009 the Department is a defendant in nine legal claims (2008 – nine legal claims). Six of these claims have specified amounts totaling $53,891 and the remaining three have no specified amount (2008 – seven claims with a specified amount of $77,383 and two with no specified amount). Included in the total legal claims are six claims amounting to $53,386 (2008 – seven claims amounting to $56,386) in which the Department has been jointly named with other entities. Three claims amounting to $3,220 (2008 – four claims amounting to $3,386) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Department's financial statements.

The financial statements of the following trust funds are prepared on a calendar year basis and the net assets as disclosed in the audited financial statements of the trust funds for December 31, 2008 and December 31, 2007 are as follows:

	2008	2007
Special Areas Trust Account	$ 82,105	$ 81,583
Improvement Districts' Trust Account	5,686	5,129
	$ 87,791	$ 86,712

NOTE 10 PAYMENTS UNDER AGREEMENT

(in thousands)

The Department has entered into agreements to deliver programs and services that are funded by:

- The Federal Office of Critical Infrastructure Protection and Emergency Preparedness Program which is designed to provide financial assistance, on a cost-shared basis with municipalities, to fund projects that will develop or enhance a regional emergency response capability.
- The National Search and Rescue Secretariat to deliver search and rescue projects under the Federal Government's New Search and Rescue Initiatives Fund.
- Indian and Northern Affairs Canada to deliver the Alberta First Nations Emergency Planning Program.
- Alberta Risk Protocol is a project to develop a community based all hazards risk management protocol.
- Emergency Services Workers Agreement allows for the partial recovery of Workers' Compensation Board (WCB) costs.

Costs incurred under these agreements are made by the Department under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes $1,777 (2008 - $1,702) and accounts payable includes $822 (2008 - $1,348) relating to payments under agreement.

Amounts paid and payable under agreement are as follows:

	2009	2008
Joint Emergency Preparedness Program	$ 869	$ 1,268
First Nations Emergency Planning Program	568	504
Alberta Risk Protocol	-	144
	$ 1,437	$ 1,916

NOTE 11 DEFINED BENEFIT PLANS

(in thousands)

The Department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $3,439 for the year ended March 31, 2009 (2008 - $3,083).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 - $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 - $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 - surplus of $1,510).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 - $6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 (2008 - actuarial surplus of $7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 12 COMPARATIVE FIGURES

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS
Revenue
For the Year ended March 31, 2009
(in thousands)

Schedule 1

	2009		2008
	Budget		Actual (Restated- Note 3)
Internal Government Transfers			
Transfer from the Lottery Fund	$ 26,000	$ 26,000	$ 26,000
Transfers from the Government of Canada			
Disaster Assistance Programs	-	2,091	13,290
Other	-	(37)	-
	-	2,054	13,290
Premiums, Fees and Licences	406	485	511
Other Revenue			
Dedicated Revenue Initiatives	1,827	1,827	1,724
Refunds of Expenditure	155	1,113	3,364
Miscellaneous	90	3	8
	2,072	2,943	5,096
	$ 28,478	$ 31,482	$ 44,897

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS
Dedicated Revenue Initiatives
For the Year ended March 31, 2009
(in thousands)

Schedule 2

	2009		
	Authorized Dedicated Revenue	Actual Dedicated Revenue	(Shortfall)/ Excess
Linear Assessment Services	$ 1,827	$ 1,827	$ -

The Department prepares linear property and major plant assessments for various municipalities on a cost recovery basis. The dedicated revenues are reported as part of other revenues on the Statement of Operations.

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS

Schedule 3

Expenses - Directly Incurred Detailed by Object
For the Year ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual (Restated- Note 3)
Voted:			
Salaries, Wages and Employee Benefits	$ 42,296	$ 38,941	$ 35,700
Supplies and Services	25,397	27,995	23,280
Grants	621,056	635,883	445,200
Financial Transactions and Other	62	118	62
Amortization of Tangible Capital Assets	2,327	1,526	1,777
Total Voted Expenses	$ 691,138	$ 704,463	$ 506,019

	2009 Budget	2009 Actual	2008 Actual
Statutory:			
Valuation Adjustments			
Provision for Vacation Pay	$ 200	$ 335	$ 638

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS **Schedule 4**
Budget
For the Year ended March 31, 2009
(in thousands)

	2008-2009				
	Estimates	Adjustments (a)	Budget	Supplementary (b)	Authorized Budget
Revenues					
Internal Government Transfers	$ 26,000	$ -	$ 26,000	$ -	$ 26,000
Transfers from the Government of Canada	-	-	-	-	-
Premiums, Fees and Licences	406	-	406	-	406
Other Revenue	2,072	-	2,072	-	2,072
	28,478	-	28,478	-	28,478
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	13,355	-	13,355	-	13,355
Local Government Services	619,009	-	619,009	-	619,009
Public Safety	17,262	-	17,262	(2,500)	14,762
Alberta Emergency Management Agency	15,042		15,042	30,000	45,042
Municipal Government Board	3,960	-	3,960	-	3,960
Library Services	22,510	-	22,510	-	22,510
	691,138	-	691,138	27,500	718,638
Statutory Expenses					
Valuation Adjustments					
Provision for Vacation Pay	200	-	200	-	200
	691,338	-	691,338	27,500	718,838
Net Operating Results	$ (662,860)	$ -	$ (662,860)	$ (27,500)	$ (690,360)
Equipment/Inventory Purchases (EIP)	$ 1,190	$ -	$ 1,190	$ -	$ 1,190

(a) Adjustments include encumbrances and dedicated revenue shortfalls. In the event that actual voted Expense, EIP and Capital Investment in the prior year exceed that authorized, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount voted in the current year.

(b) Supplementary Estimates were approved on December 4, 2008. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act (for net budgeted initiatives).

DEPARTMENT OF MUNICIPAL AFFAIRS

SCHEDULE TO THE FINANCIAL STATEMENTS **Schedule 5**

Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget

For the year ended March 31, 2009

(in thousands)

	2008-2009						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
Voted Expenses, EIP and Capital Investments							
1 Ministry Support Services							
1.0.1 Minister's Office	$ 482	$ -	$ 482	$ -	$ 482	$ 471	$ 11
1.0.2 Deputy Minister's Office	785	-	785	-	785	734	51
1.0.3 Support Services							
- Expense	12,088	-	12,088	-	12,088	10,806	1,282
- EIP	100	-	100	-	100	108	(8)
Total Program 1	13,455	-	13,455	-	13,455	12,119	1,336
2 Local Government Services							
2.1 Division Support							
2.1.1 Division Support							
- Expense	2,513	-	2,513	-	2,513	1,972	541
- EIP	1,090	-	1,090	-	1,090	-	1,090
2.2 Municipal Services							
2.2.1 Municipal Services							
- Expense	14,742	-	14,742	-	14,742	12,928	1,814
- EIP	-	-	-	-	-	768	(768)
2.3 Assessment Services							
2.3.1 Assessment Services							
- Expense	11,142	-	11,142	-	11,142	10,588	554
- EIP	-	-	-	-	-	541	(541)
2.4 Financial Assistance Programs							
2.4.1 Unconditional Municipal Grants							
- Expense	3,754	-	3,754	-	3,754	5,329	(1,575)
- Expense Funded by Lotteries	14,000	-	14,000	-	14,000	14,000	-
2.4.2 Municipal Debenture Interest Rebates	704	-	704	-	704	702	2
2.4.3 Grants in Place of Taxes	40,856	-	40,856	-	40,856	36,867	3,989
2.4.4 Financial Support to Local Authorities	13,598	-	13,598	-	13,598	13,226	372
2.4.5 Municipal Sponsorship							
- Expense	2,700	-	2,700	-	2,700	2,258	442
- Expense Funded by Lotteries	12,000	-	12,000	-	12,000	12,000	-
2.4.6 Municipal Sustainability Capital Grants	450,000	-	450,000	-	450,000	454,713	(4,713)
2.4.7 Municipal Sustainability Operating Grants	50,000	-	50,000	-	50,000	45,287	4,713
2.4.8 Capital Region Board	3,000	-	3,000	-	3,000	3,250	(250)
Total Program 2	620,099	-	620,099	-	620,099	614,429	5,670

DEPARTMENT OF MUNICIPAL AFFAIRS

SCHEDULE TO THE FINANCIAL STATEMENTS **Schedule 5**

Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget **(continued)**

For the year ended March 31, 2009

(in thousands)

		2008-2009						
		Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
Voted Expenses, EIP and Capital Investments								
3	**Public Safety**							
3.1	**Division Support**							
3.1.1	Division Support	1,473	-	1,473	-	1,473	1,305	168
3.2	**Safety Services**							
3.2.1	Program Management	386	-	386	-	386	400	(14)
3.2.2	Technical Services	2,300	-	2,300	-	2,300	1,921	379
3.2.3	Regional Services	4,085	-	4,085	-	4,085	4,215	(130)
3.2.5	Tank Site Remediation Program	9,018	-	9,018	(2,500)	6,518	8,598	(2,080)
Total Program 3		17,262	-	17,262	(2,500)	14,762	16,439	(1,677)
4	**Alberta Emergency Management Agency**							
4.0.1	Managing Director's Office	938	-	938		938	1,535	(597)
4.0.2	Community Support Services							
	- Expense	7,490	-	7,490		7,490	7,530	(40)
	- EIP	-	-	-		-	496	(496)
4.0.3	Preparedness Services	3,571	-	3,571	-	3,571	3,325	246
4.0.4	Strategic Corporate Services							
	- Expense	1,868	-	1,868	-	1,868	1,430	438
	- EIP	-	-	-	-	-	21	(21)
4.0.5	Disaster Recovery	250		250	30,000	30,250	22,269	7,981
4.0.6	Emergency Preparedness grants	925	-	925	-	925	925	-
Total Program 4		15,042	-	15,042	30,000	45,042	37,531	7,511
5	**Municipal Government Board**							
5.0.1	Municipal Government Board							
	- Expense	3,960	-	3,960	-	3,960	4,230	(270)
Total Program 5		3,960	-	3,960	-	3,960	4,230	(270)
6	**Library Services**							
6.0.1	Library Services	1,091	-	1,091	-	1,091	1,224	(133)
6.0.2	Library Grants	21,419	-	21,419	-	21,419	20,425	994
Total Program 6		22,510	-	22,510	-	22,510	21,649	861
Grand Total		$ 692,328	$ -	$ 692,328	$ 27,500	$ 719,828	$ 706,397	$ 13,431

DEPARTMENT OF MUNICIPAL AFFAIRS

SCHEDULE TO THE FINANCIAL STATEMENTS

Schedule 5

(continued)

Comparison of Expenses - Directly Incurred, EIP and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget

For the year ended March 31, 2009

(in thousands)

	2008-2009						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
Voted Expenses, EIP and Capital Investments							
Operating Expense	$ 665,138	$ -	$ 665,138	$ 27,500	$ 692,638	$ 678,463	$ 14,175
Operating Expense Funded by Lotteries	26,000	-	26,000	-	26,000	26,000	-
	691,138	-	691,138	27,500	718,638	704,463	14,175
Equipment/Inventory Purchases	1,190	-	1,190	-	1,190	1,934	(744)
	$ 692,328	$ -	$ 692,328	$ 27,500	$ 719,828	$ 706,397	$ 13,431
Statutory Expenses							
Valuation Adjustments	$ 200	$ -	$ 200	$ -	$ 200	$ 335	$ (135)

(a) Adjustments include encumbrances and dedicated revenue shortfalls. In the event that actual voted Expense, EIP and Capital investment in the prior year exceed that authorized, the difference is known as an encumbrance. The encumbrance reduces the budgeted amount voted in the current year.

(b) Supplementary Estimates were approved on December 4, 2008.
Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

(c) Includes achievement bonus of $1,128.

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS
Salary and Benefits Disclosure
For the Year Ended March 31, 2009

Schedule 6

	2009				2008
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Department					
Deputy Minister(4)	$ 253,668	$ 43,000	$ 61,763	$ 358,431	$ 330,886
Assistant Deputy Ministers					
Local Government Services	164,940	29,689	40,415	235,044	216,899
Public Safety	172,057	23,807	41,827	237,691	220,677
Corporate Strategic Services(5)	162,356	77,744	41,297	281,397	230,028
Alberta Emergency Management Agency					
Managing Director	192,336	30,774	45,052	268,162	218,373

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) This position was occupied by two individuals in 2009. The first incumbent held the role from the beginning of the fiscal year to January 7, 2009. The second incumbent held the role from February 2, 2009 to the end of the fiscal year. Other cash benefits includes accrued vacation paid to the first incumbent.

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS
(in thousands)
Related Party Transactions
For the Year ended March 31, 2009

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's consolidated financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2009	2008 (Restated- Note 3)	2009	2008 (Restated- Note 3)
Revenues				
Lottery Fund	$ -	$ -	$ 26,000	$ 26,000
Expenses - Directly Incurred				
Business and Technology Services	$ -	$ -	$ 296	$ 497
Insurance	-	-	74	41
Other Services	-	-	-	2
	$ -	$ -	$ 370	$ 540

DEPARTMENT OF MUNICIPAL AFFAIRS
Related Party Transactions
For the Year ended March 31, 2009
(in thousands)

Schedule 7
(continued)

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Entities in the Ministry		Other Entities	
	2009	2008 (Restated- Note 3)	2009	2008 (Restated- Note 3)
Expenses - Incurred by Others (Schedule 8)				
Accommodation	$ -	$ -	$ 5,677	$ 4,730
Air Transportation/Executive Vehicles	-	-	150	58
Internal Audit	-	-	-	88
Business Services	-	-	1,334	1,344
Legal	-	-	747	681
	$ -	$ -	$ 7,908	$ 6,901

The Department paid $36,416 (2008 - $35,855) of grants in place of taxes on behalf of other ministries.

DEPARTMENT OF MUNICIPAL AFFAIRS
SCHEDULE TO THE FINANCIAL STATEMENTS **Schedule 8**
Allocated Costs
For the Year ended March 31, 2009
(in thousands)

	2009							2008
		Expenses - Incurred by Others			Valuation Adjustments (5)			
Program	Expenses (1)	Accommodation Costs (2)	Business Services (3)	Legal/ Internal Audit Services (4)	Vacation Pay	Doubtful Accounts	Expenses	Expenses (Restated- Note 3)
Ministry Support Services	$ 12,011	$ 1,042	$ 1,484	$ 84	$ 87	$ -	$ 14,708	$ 13,279
Local Government Services	613,120	2,394	-	380	87	-	615,981	408,151
Public Safety	16,439	1,141	-	112	75	-	17,767	15,018
Alberta Emergency Management Agency	37,014	644	-	160	58	-	37,876	48,196
Municipal Government Board	4,230	381	-	6	23	-	4,640	4,192
Library Services	21,649	75	-	5	5	-	21,734	24,722
	$ 704,463	$ 5,677	$ 1,484	$ 747	$ 335	$ -	$ 712,706	$ 513,558

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(2) Cost shown for Accommodation on Schedule 7, allocated by number of employees.

(3) Business Services includes financial and administrative services and air transportation and executive vehicle services, allocated by estimated costs incurred in each program.

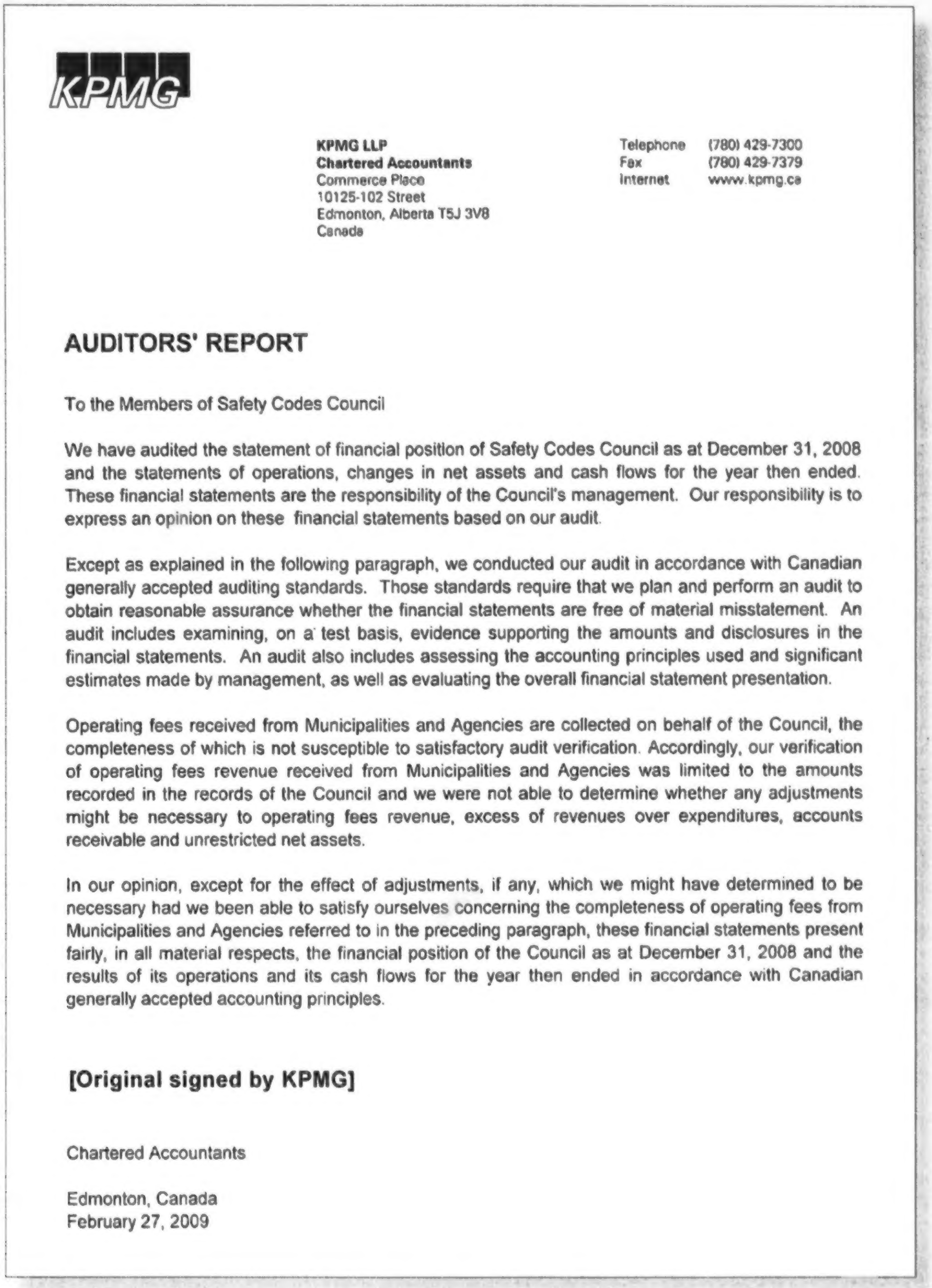
(4) Cost shown for Legal and Internal Audit Services on Schedule 7, allocated by estimated costs incurred by each program.

(5) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee,
- Doubtful Accounts Provision - estimated allocation to program.

Financial Statements of

SAFETY CODES COUNCIL

Year ended December 31, 2008



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AUDITORS' REPORT

To the Members of Safety Codes Council

We have audited the statement of financial position of Safety Codes Council as at December 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Operating fees received from Municipalities and Agencies are collected on behalf of the Council, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of operating fees revenue received from Municipalities and Agencies was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to operating fees revenue, excess of revenues over expenditures, accounts receivable and unrestricted net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of operating fees from Municipalities and Agencies referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by KPMG]

Chartered Accountants

Edmonton, Canada
February 27, 2009

SAFETY CODES COUNCIL

Financial Statements

Year ended December 31, 2008

Financial Statements

Statement of Financial Position 1

Statement of Operations 2

Statement of Changes in Net Assets 3

Statement of Cash Flows 4

Notes to Financial Statements 5

SAFETY CODES COUNCIL

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current assets:		
Cash	$ 347,998	$ 273,216
Accounts receivable	291,794	440,603
Prepaid expenses and deposits	106,508	107,196
	746,300	821,015
Investments (note 2)	4,149,666	5,398,147
Capital assets (note 3)	980,877	301,194
	$ 5,876,843	$ 6,520,356
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 281,162	$ 269,712
Deferred lease inducement	58,962	-
Deferred contributions (note 4)	283,330	78,077
	623,454	347,789
Net assets:		
Unrestricted	1,288,916	2,871,373
Internally restricted (note 6)	3,000,000	3,000,000
Invested in capital assets	964,473	301,194
	5,253,389	6,172,567
Commitments (note 7)		
	$ 5,876,843	$ 6,520,356

See accompanying notes to financial statements.

On behalf of the Council:

_______________ Member

_______________ Member

_______________ Member

SAFETY CODES COUNCIL

Statement of Operations

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Operating fees:		
Municipalities and agencies	$ 3,364,102	$ 3,965,410
Corporations	378,311	373,542
Designation of powers	18,475	21,525
Certification	29,081	21,143
Accreditation	2,800	3,600
Appeals	6,800	11,700
Investment income	220,171	155,365
Course and exam fees	398,110	445,252
Grants and contributions (note 4)	95,461	26,354
Other revenues and recoveries	69,155	36,997
	4,582,466	5,060,888
Expenditures:		
Salaries and benefits	3,263,235	2,459,962
Office rental	326,323	130,143
Annual conference	257,768	218,007
Course and seminar costs	226,335	197,472
New course version	215,335	189,778
Amortization of capital assets	161,629	101,557
Office and general	156,403	144,414
Code update training	147,715	66,391
Electronic Business Solutions	137,082	146,730
Special training programs	109,904	78,982
Travel	95,887	98,001
Publications	122,230	113,061
Professional fees	57,219	207,134
New course development	24,262	627
Meetings	44,752	55,403
Insurance	36,418	34,680
Bank and investment service charges	32,150	26,662
Appeals	29,311	64,829
Office relocation	18,149	-
Consulting fees	13,389	5,724
Test bank validations	12,582	9,923
Electronic conversion	6,259	-
Loss on disposal of capital assets	3,176	3,227
Corporate memberships	2,431	2,422
Honorariums	1,700	3,400
Course revisions	-	223
Competency analysis	-	31,403
	5,501,644	4,390,155
Excess (deficiency) of revenues over expenditures before the undernoted	(919,178)	670,733
Underground Petroleum Tank Site Remediation Program (note 5):		
Total expenditures	-	1,991,560
Revenues:		
Recoveries	-	(13,175)
Alberta Municipal Affairs and Housing	-	(1,978,385)
	-	-
Excess (deficiency) of revenues over expenditures	$ (919,178)	$ 670,733

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Changes in Net Assets

Year ended December 31, 2008, with comparative figures for 2007

	Unrestricted	Internally restricted	Invested in capital assets	2008 Total	2007 Total
Balance, beginning of year	$ 2,871,373	$ 3,000,000	$ 301,194	$ 6,172,567	$ 5,501,834
Excess (deficiency) of revenues over expenditures	(754,373)	-	(164,805)	(919,178)	670,733
Investment in capital assets, net	(844,488)	-	844,488	-	-
Balance, end of year	$ 1,272,512	$ 3,000,000	$ 980,877	$ 5,253,389	$ 6,172,567

See accompanying notes to financial statements.

SAFETY CODES COUNCIL

Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenditures	$ (919,178)	$ 670,733
Items not involving cash:		
Amortization of capital assets	161,629	101,557
Loss on disposal of capital assets	3,176	3,227
Changes in non-cash operating working capital:		
Accounts receivable	148,809	(26,800)
Prepaid expenses and deposits	688	(65,205)
Accounts payable and accrued liabilities	11,450	8,983
Deferred lease inducements	58,962	-
Deferred contributions	205,253	(28,381)
	(329,211)	664,114
Investing and financing activities:		
Increase (decrease) in investments, net	1,248,481	(347,344)
Purchase of capital assets	(844,488)	(154,776)
	403,993	(502,120)
Increase in cash	74,782	161,994
Cash, beginning of year	273,216	111,222
Cash, end of year	$ 347,998	$ 273,216
Supplemental cash flow information:		
Bank and investment service charges paid	$ 32,150	$ 26,662

See accompanying notes to financial statements.

The Safety Codes Council (the "Council") is a corporation established under the Safety Codes Act of the Province of Alberta (Revised Statutes of Alberta 2000, Chapter S-1). The industry-based council is comprised of a Council chair, a coordinating committee and technical councils in the following areas: amusement rides, boilers and pressure vessels, buildings, electrical, elevators, fire, gas, plumbing, barrier free and passenger ropeways.

The Council is responsible for reviewing, formulating and managing significant components of the administration of Alberta's safety system. The Council's mandate is to:

- develop and recommend safety codes and standards;
- promote uniform safety standards and practices;
- develop and administer a program to certify and designate Safety Codes Officers;
- develop and administer a program to accredit safety system partners;
- administer appeals for certification, accreditation and orders issued under the Safety Codes Act;
- establish and operate safety information and training programs;
- develop and administer a province wide electronic permitting system for use by accredited entities administering the Safety Codes Act; and
- engage in any other activities as directed by the Minister responsible for the Safety Codes Act.

1. Significant accounting policies:

(a) Financial instruments and risk management:

The Council's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. Cash and investments are classified as held-for-trading and are measured at fair value. Accounts receivable and accounts payable and accrued liabilities are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method.

The Council does not have any derivatives that need to be recorded at fair value in its financial statements nor any embedded derivatives in its contractual arrangements that must be separated from the host contract and accounted for separately.

1. Significant accounting policies (continued):

(a) Financial instruments and risk management (continued):

It is management's opinion that the Council is not exposed to significant currency or credit risk arising from its financial instruments, except as follows. The fair values of the investments bearing interest at fixed rates are subject to interest rate price risk. The Council limits its exposure to credit risk by investing in short-term notes and bonds of financially sound counter-parties with a weighted average credit quality rating of AA or higher.

(b) Capital management:

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern, so that it can continue to provide service to stakeholders, including its members, to continue to promote and assist in the development of safety codes in Alberta.

The Council sets the sufficiency of capital to maintain the service needs of the stakeholders and makes adjustments to its capital, through appropriation to or from internally restricted funds to respond to potential changes in economic conditions. In order to maintain a sufficient capital structure, management looks forward to future needs and will recommend increased fees or adjustment of the investment portfolio mix.

(c) Capital assets:

Capital assets are recorded at cost. Amortization is calculated using the following methods and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Equipment	Declining balance	20%
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
Leasehold improvements	Straight line	Over lease term

1. Significant accounting policies (continued):

(d) Deferred lease inducement:

Deferred lease inducement represents the unamortized value of an inducement received when the Council entered into a new lease arrangement in 2008 for the rental of office space. Amortization is provided on a straight-line basis over the term of the related lease as a reduction in office rent.

(e) Revenue recognition:

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Operating fees from corporations and contributions relating to future years are reflected as deferred contributions.

Investment income includes interest income and realized and unrealized investment gains and losses.

Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

(f) Contributed services:

Alberta Municipal Affairs and Housing currently provides certain services to the Council including a monitoring service of accredited entities as part of the Municipal Support Program, at no cost. As a result of the difficulty in determining the fair value of these services, contributed services are not recognized in the financial statements.

Contributed supplies and services that would otherwise have been purchased are recorded as contributions and expenses. Such transactions are measured at the fair value at the date of contribution, when a fair value can be reasonably determined.

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

(h) Future accounting changes:

The CICA has issued several amendments to the not-for-profit accounting standards. Under these amended standards, there will no longer be a requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit such an amount as a category of internally restricted net assets when an organization chooses to do so.

The amended standards also clarify that revenues and expenses must be recognized and presented on a gross basis when an organization is acting as a principal in the transactions; makes Section 1540, Cash Flow Statements, applicable; makes Section 1751, Interim Financial Statements, applicable; makes Section 3062, Property, Plant and Equipment, applicable unless the organization is eligible to use of the scope exemption for smaller entities; and provides consistency with other sections of the CICA Handbook with respect to related party transactions.

The CICA has also issued a new standard, Section 4470, Disclosure of allocated expenses by not-for-profit organizations. This Section establishes disclosure standards for those organizations that choose to classify their expenses by function and allocate expenses from one function to another. These requirements are effective for fiscal years beginning on or after January 1, 2009.

SAFETY CODES COUNCIL

Notes to Financial Statements (continued)

Year ended December 31, 2008

2. Investments:

	2008	2007
Cash	$ 12,635	$ 2,627
Federal and provincial government bonds and coupons, with effective interest rates from 4.00 % to 5.25% (2007 - 3.84% to 5.43%) and maturity dates up to 2010	1,916,935	4,511,123
Corporate bonds, debentures, and coupons, with an effective interest rate of 4.25% to 6.80% (2007 - 4.25% to 5.55%) with maturity dates up to 2016	1,852,323	621,194
Corporate cumulative and non-cumulative preferred shares and common shares, with effective interest rates from 4.50% to 5.35% (2007 - 4.5% to 4.75%)	367,773	263,203
	$ 4,149,666	$ 5,398,147

3. Capital assets:

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ 208,340	$ 83,265	$ 125,075	$ 53,151
Equipment	38,639	12,740	25,899	14,602
Computer hardware	288,044	133,120	154,924	153,775
Computer software	151,195	47,067	104,128	49,678
Leasehold improvements	609,232	38,381	570,851	29,988
	$ 1,295,450	$ 314,573	$ 980,877	$ 301,194

4. Deferred contributions:

Deferred contributions represent unspent resources externally restricted for certification, designation of powers, courses and training, Electronic Permitting System and certification fees from corporations received in the current year that relate to future years. Changes in the deferred contributions balance are as follows:

2008	Education and training	Information technology	Certification revenue	Total
Balance, beginning of year	$ 19,067	$ -	$ 59,010	$ 78,077
Amount received during the year	21,495	274,638	50,925	347,058
Amount recognized as revenue in the year	(19,067)	(95,461)	(27,277)	(141,805)
Balance, end of year	$ 21,495	$ 179,177	$ 82,658	$ 283,330

2007	Education and training	Electronic Permitting System - PSDS enhancements	Certification revenue	Total
Balance, beginning of year	$ 42,660	$ 26,354	$ 37,444	$ 106,458
Amount received during the year	19,067	-	30,926	49,993
Amount recognized as revenue in the year	(42,660)	(26,354)	(9,360)	(78,374)
Balance, end of year	$ 19,067	$ -	$ 59,010	$ 78,077

5. Underground Petroleum Tank Site Remediation Program:

The Underground Petroleum Tank Site Remediation Program (the "Program") was established by the Alberta government to provide financial assistance by way of grants to land owners, or persons responsible, for the clean up of contamination of lands related to underground fuel storage.

Effective April 1, 2002, pursuant to a Transfer Agreement between the Council and Alberta Municipal Affairs ("AMA"), the Council agreed to undertake the ongoing administration and completion of the Program. Under the Transfer Agreement, the Council had the authority to administer and complete the Program of the Minister of Municipal Affairs and Housing. For any grants committed to by AMA prior to the transfer of administration of the Program to the Council, the Council is responsible to review and approve the amounts to be paid; however, the actual payment is the responsibility of Alberta Municipal Affairs and Housing ("MA&H").

	Year ended December 31, 2008	Year ended December 31, 2007	Total expenditures since project inception	Total project budget
Expenditures:				
Grants:				
Environmental site assessments	$ -	$ -	$ 989,507	$ -
Remediation	-	2,418	9,940,202	-
Retroactive claims	-	1,989,072	12,057,780	-
	-	1,991,490	22,987,489	24,359,000
Operational costs	-	70	3,343,801	3,363,000
Total expenditures	-	1,991,560	$ 26,331,290	$ 27,722,000
Recoveries:				
Investment income	-	(13,175)		
Net expenditures for the year	-	1,978,385		
Deferred contributions from MA&H, beginning of year	-	3,522,253		
Amounts returned to MA&H during the year	-	1,543,868		
Deferred contributions from MA&H, end of year	$ -	$ -		

The Transfer Agreement was terminated by MA&H on March 31, 2007 and all remaining unspent funds held by the Council were returned to MA&H on that date.

6. Internally restricted net assets:

The Council maintains internally restricted net assets in the amount of $3,000,000 to minimize the impact of short-term fluctuations in operating fee revenues on its ability to meet its mandate. Access to the restricted net assets is granted by resolution of the Coordinating Committee.

7. Commitments:

The Council is committed to an operating lease for its office premises which expires April 30, 2018. The Council also leases photocopiers with a related service contracts, expiring March 31, 2011.

2009	$	210,152
2010		210,152
2011		195,606
2012		190,757
2013		196,368

The Council is also responsible for their share of operating costs related to the office lease.

Improvement Districts' Trust Account
Summary Statement of Revenue and Expenditures
For the year ended December 31, 2008

	Improvement Districts						
	4	**9**	**12**	**13**	**24**	**Kananaskis** [a]	**Total**
Assets	$ 756,277	$ 4,826,429	$ 472,940	$ 206,985	$ 200,436	$ 2,946,238	$ 9,409,305
Liabilities	384,325	1,381,346	200,706	68,144	169,145	1,519,699	3,723,365
Net assets	$ 371,952	$ 3,445,083	$ 272,234	$ 138,841	$ 31,291	$ 1,426,539	$ 5,685,940
Revenues	$ 395,168	$ 1,769,438	$ 82,485	$ 233,424	$ 38,841	$ 1,647,152	$ 4,166,508
Expenditures	373,199	1,622,334	50,383	207,764	59,825	1,807,997	4,121,502
Excess of revenues over expenditures	$ 21,969	$ 147,104	$ 32,102	$ 25,660	$ (20,984)	$ (160,845)	$ 45,006

Improvement District:

4	Waterton National Park
9	Banff National Park
12	Jasper National Park
13	Elk Island National Park
24	Wood Buffalo National Park

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[a] Ministerial Order No. L:131/08 delegated the administration of the Kananaskis Improvement District to the Minister of Tourism, Parks and Recreation.

Improvement Districts' Trust Account
Detailed Statement of Revenue and Expenditures
For the year ended December 31, 2008

	Improvement Districts						
	4	9	12	13	24	Kananaskis	Total
REVENUES							
General Municipal:							
Taxation							
Real property	$ 351,272	$ 2,687,725	$ 42,427	$ 4,872	$ 3,452	$ 1,075,469	$ 4,165,217
Federal grants	100,162	603,862	55,068	33,414	23,184	12,303	827,993
Provincial grants	-	-	-	-	-	118,342	118,342
Power and pipeline	3,787	86,414	103,977	9,445	4,441	414,754	622,818
Oil well drilling taxes	-	-	-	-	-	787	787
Penalties and costs	2,630	14,174	975	819	115	1,890	20,603
	457,851	3,392,175	202,447	48,550	31,192	1,623,545	5,755,760
Less payment of requisitions to:							
Alberta School Foundation Fund	328,473	1,988,911	126,956	21,478	11,711	697,014	3,174,543
Seniors Foundation	-	47,918	12,929	-	-	15,956	76,803
	328,473	2,036,829	139,885	21,478	11,711	712,970	3,251,346
General municipal taxes	129,378	1,355,346	62,562	27,072	19,481	910,575	2,504,414
Government transfers	211,519	183,474	11,264	204,380	18,907	140,615	770,159
Interest	-	57,379	8,659	1,972	453	39,970	108,433
Other	54,271	173,239	-	-	-	555,992	783,502
	$ 395,168	$ 1,769,438	$ 82,485	$ 233,424	$ 38,841	$ 1,647,152	$ 4,166,508
EXPENDITURES							
General Municipal:							
Administrative services	$ 51,770	$ 546,537	$ 16,200	$ 1,100	$ 1,300	$ 199,742	$ 816,649
Transportation services	-	-	-	-	-	95,031	95,031
Protective services	-	884,485	25,302	-	-	1,095,470	2,005,257
Assessment Fees	6,819	25,966	8,881	6,664	11,867	-	60,197
Grants	-	-	-	200,000	-	-	200,000
Recreation and cultural services	93,050	121,461	-	-	-	-	214,511
Utilities	-	15,405	-	-	-	29,399	44,804
Honorarium	4,350	20,825				-	25,175
Agriculture, planning and other community services	-	-	-	-	-	16,132	16,132
Other expenditures	217,210	7,655	-	-	46,658	372,223	643,746
	$ 373,199	$ 1,622,334	$ 50,383	$ 207,764	$ 59,825	$ 1,807,997	$ 4,121,502
Excess of revenue over expenditure	$ 21,969	$ 147,104	$ 32,102	$ 25,660	$ (20,984)	$ (160,845)	$ 45,006

SPECIAL AREAS TRUST ACCOUNT

FINANCIAL STATEMENTS

DECEMBER 31, 2008

Statement of Financial Position

Statement of Revenue, Expenditure and Accumulated Excess of Revenue over Expenditure

Statement of Reserves

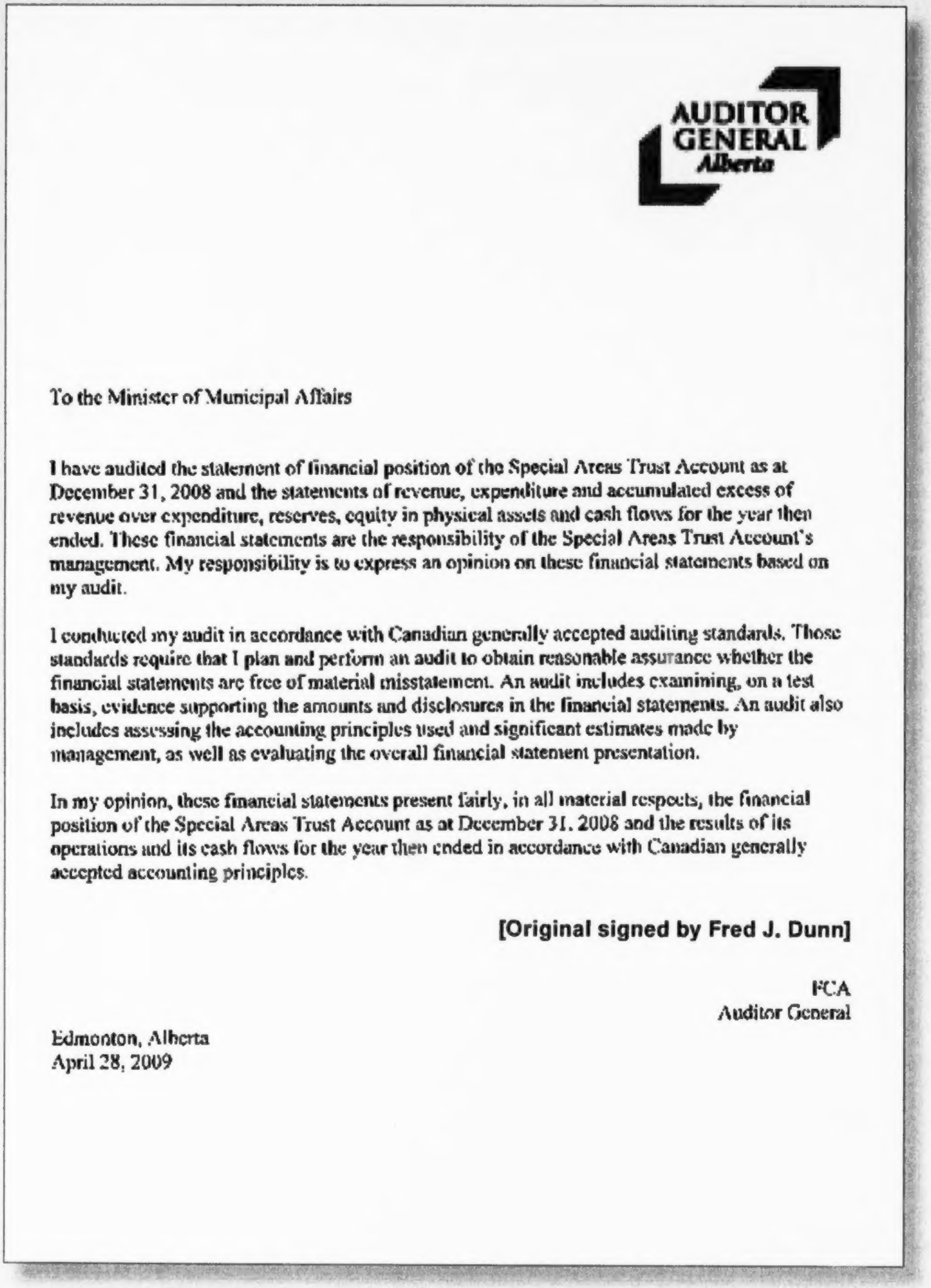
Statement of Equity in Physical Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule of Investments

Schedule of Salaries and Benefits



AUDITOR
GENERAL
Alberta

To the Minister of Municipal Affairs

I have audited the statement of financial position of the Special Areas Trust Account as at December 31, 2008 and the statements of revenue, expenditure and accumulated excess of revenue over expenditure, reserves, equity in physical assets and cash flows for the year then ended. These financial statements are the responsibility of the Special Areas Trust Account's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Special Areas Trust Account as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Fred J. Dunn]

FCA
Auditor General

Edmonton, Alberta
April 28, 2009

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

	2008	2007
ASSETS		
Financial Assets		
Current:		
Cash (Note 3)	$ 37,477,537	$ 24,636,662
Accounts receivable, net (Note 4)	3,398,194	5,298,543
Taxes receivable, net	281,206	359,667
	41,156,937	30,294,872
Non-current:		
Accounts receivable, net (Note 4)	3,602,480	3,769,601
Investments (Schedule 1)	25,408,664	26,774,426
Total Financial Assets	70,168,081	60,838,899
Physical Assets (Note 5)		
Capital assets	26,139,432	24,980,170
Inventories	5,435,803	4,093,850
Total Physical Assets	31,575,235	29,074,020
	$ 101,743,316	$ 89,912,919
LIABILITIES AND TRUST EQUITY		
Current:		
Accounts payable and accruals	$ 4,894,770	$ 2,660,890
Deferred revenues	482,596	487,284
Deferred provincial grant revenue (Note 6)	717,754	2,344,225
Due to Province of Alberta, net (Note 7)	3,741,266	1,287,915
Current portion of long term loan (Note 8)	693,777	-
	10,530,163	6,780,314
Non-current:		
Long term loan (Note 8)	7,468,652	-
Provision for gravel pit reclamation (Note 9)	1,640,000	1,550,000
Total Liabilities	19,638,815	8,330,314
Equity:		
Accumulated excess of revenue over expenditure	7,108,877	4,413,560
Reserves	43,420,389	48,095,025
In physical assets	31,575,235	29,074,020
Total Equity	82,104,501	81,582,605
	$ 101,743,316	$ 89,912,919

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT

STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008		2007
	BUDGET (Note 19)	**ACTUAL**	**ACTUAL**
Revenue			
General municipal:			
Taxation			
Power and pipeline	$ 25,952,500	$ 28,864,565	$ 26,090,461
Real property	6,430,000	7,618,014	6,464,233
Grazing and cultivation	768,000	737,789	771,910
Penalties and costs on taxes	75,000	66,950	16,581
	33,225,500	37,287,318	33,343,185
Less amounts expended by transfers:			
Alberta School Foundation Fund	13,968,000	14,248,914	13,965,429
Seniors Foundation requisitions	2,014,000	2,913,318	1,963,922
	15,982,000	17,162,232	15,929,351
Net taxes for municipal purposes	17,243,500	20,125,086	17,413,834
Provincial grants (Note 10)	8,746,163	8,412,752	4,033,517
Leases (Note 11)	7,862,195	7,337,642	9,435,617
Interest	2,075,500	2,181,872	2,187,496
Tax recovery land sales	2,200,000	1,114,897	1,741,655
Other (Note 12)	4,271,800	5,130,205	3,497,999
Total revenue, carried forward	$ 42,399,158	$ 44,302,454	$ 38,310,118

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE (cont'd)
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008		2007
	BUDGET (Note 19)	ACTUAL	ACTUAL
Total revenue, brought forward	$ 42,399,158	$ 44,302,454	$ 38,310,118
Expenditure			
General municipal:			
Transportation services	29,884,755	31,456,759	27,939,350
Administrative services	4,470,150	4,420,790	4,328,594
Agriculture and community pasture services	3,123,381	4,248,372	2,385,668
Recreational and cultural services	2,387,713	2,216,018	1,946,977
Protective services	2,546,963	1,945,711	1,570,887
Water and sanitation services	3,009,614	1,769,923	1,846,530
Industrial tax transfers	200,000	224,200	198,912
Total expenditure (Note 13, 15 and 16)	**45,622,576**	**46,281,773**	**40,216,918**
(Deficiency) excess of revenue over expenditure	**$ (3,223,418)**	**(1,979,319)**	**(1,906,800)**
Accumulated excess of revenue over expenditure at beginning of year		4,413,560	4,920,033
		2,434,241	3,013,233
Less: transfers (to) from tax recovery land sales reserve (Note 17):			
Phase I	-	(7,182)	39,902
Phase II	-	-	(203,566)
Phase III	(2,450,000)	(991,600)	(1,551,100)
	(2,450,000)	(998,782)	(1,714,764)
Add: transfer from tax recovery land sales reserve (Note 17):			
Phase II	5,673,418	5,673,418	3,115,091
	$ 3,223,418	4,674,636	1,400,327
Accumulated excess of revenue over expenditure at end of year		**$ 7,108,877**	**$ 4,413,560**
Increase (decrease) in accumulated excess of revenue over expenditure during the year	**$ -**	**$ 2,695,317**	**$ (506,473)**

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
Tax recovery land sales reserves :		
Phase I		
Balance at beginning of year	$ 39,230,508	$ 39,270,410
Add (deduct) transfers of accumulated excess of revenue over expenditure (Note 17)	7,182	(39,902)
Balance at end of year	39,237,690	39,230,508
Phase II		
Balance at beginning of year	945,118	3,856,643
Add transfers of accumulated excess of revenue over expenditure (Note 17)	-	203,566
Deduct transfers of funds to operations (Note 17)	(945,118)	(3,115,091)
Balance at end of year	-	945,118
Phase III		
Balance at beginning of year	7,918,080	6,366,980
Add transfer from accumulated excess of revenue over expenditure (Note 17)	991,600	1,551,100
Deduct transfers of funds to operations (Note 17)	(4,728,300)	-
Balance at end of year	4,181,380	7,918,080
Total balance at end of year	43,419,070	48,093,706
Public reserve:		
Balance at beginning and end of year	1,319	1,319
Total reserves	$ 43,420,389	$ 48,095,025

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF EQUITY IN PHYSICAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
Equity in capital assets at beginning of year	$ 24,980,170	$ 22,549,004
Add purchase of capital assets:		
Transportation services	4,231,983	4,301,772
Administrative services	467,889	804,648
Protective services	684,603	373,351
Agriculture and community pasture services	317,505	350,474
Water and sanitation services	333,650	279,388
Recreation and cultural services	156,188	148,824
	6,191,818	6,258,457
Annual amortization of capital assets	(2,546,587)	(2,399,487)
Disposal of capital assets	(2,485,969)	(1,427,804)
Equity in capital assets at end of year (Note 5)	$ 26,139,432	$ 24,980,170
Equity in inventories at beginning of year	$ 4,093,850	$ 3,038,186
Add purchases and other inventory costs	3,958,225	3,130,829
Deduct requisitions	(2,616,272)	(2,075,165)
Equity in inventory at end of year (Note 5)	$ 5,435,803	$ 4,093,850
Equity in physical assets at end of year	$ 31,575,235	$ 29,074,020

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
Operating activities:		
Excess of expenditure over revenue	$ (1,979,319)	$ (1,906,800)
Amortization of investment premiums, less discounts	100,043	104,814
Gain on sale of investments	(65,119)	(68,213)
Increase in provision for gravel pit reclamation	90,000	150,000
Sale of capital assets	(2,485,969)	(1,427,804)
Purchase of capital assets	6,191,818	6,258,457
Increase in inventories	1,341,954	1,055,663
	3,193,408	4,166,117
Changes in non-cash working capital accounts:		
Accounts receivable	1,900,349	(1,755,383)
Taxes receivable, net	78,461	22,321
Accounts payable and accruals	2,233,880	(63,514)
Deferred lease revenue	(4,688)	(132,835)
Deferred provincial grant revenue	(1,626,471)	2,262,242
Due to Province of Alberta, net	2,453,351	597,251
Current portion of long term debt	693,777	-
Inventories	(1,341,954)	(1,055,663)
	4,386,705	(125,581)
Cash provided by operating activities	7,580,113	4,040,536
Investing activities:		
Net change in non - current accounts receivable	167,121	(354,634)
Proceeds from redemption of investments	6,980,420	8,538,676
Purchase of investments	(5,649,582)	(8,846,985)
Sale of capital assets	2,485,969	1,427,804
Purchase of capital assets	(6,191,818)	(6,258,457)
Cash applied to investing activities	(2,207,890)	(5,493,596)
Financing activities:		
Increase in long term loan	7,468,652	-
Cash provided by financing activities	7,468,652	-
Increase (decrease) in cash	12,840,875	(1,453,060)
Cash at the beginning of year	24,636,662	26,089,722
Cash at end of year	$ 37,477,537	$ 24,636,662

The accompanying notes and schedules are part of these financial statements.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 1 Authority and Purpose

The Special Areas Trust Account operates under the authority of the *Special Areas Act*, Revised Statutes of Alberta 2000, chapter S-16. The Special Areas Trust Account is held by the Special Areas Board, an agent of the Crown in right of Alberta, and as such, has a tax exempt status.

The Special Areas Board ("The Board") is appointed by the Lieutenant Governor in Council. The Board provides municipal services and long-term land resource management.

Note 2 Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles for municipal governments.

(b) Tax Recovery Land

Tax recovery land, including any mineral surface leases attached thereto, was acquired for insignificant amounts and is not recorded in the balance sheet. Approximately 1.090 million acres of tax recovery land remains unsold as at December 31, 2008 (2007 - 1.105 million acres).

Crown land transferred to the Province of Alberta from the Government of Canada for no monetary consideration, located within the Special Areas and administered by the Special Areas Board, is not valued for financial statement purposes. This consists of approximately 1.587 million acres (2007 - 1.588 million acres).

(c) Investments

Investments are valued at cost adjusted for the applicable amortization of discount or premium using the straight-line method over the period to maturity.

(d) Inventories

The cost of consumable supplies is included as an expenditure when incurred. For information purposes, inventories of consumable supplies are shown on the balance sheet as physical assets at net book value with the offsetting credit to equity in physical assets.

Inventories are valued at the lower of cost or net replacement value. Costs for all inventories are determined by using the first-in-first-out method with the exception of parts which are valued by using the average costing method.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 2 (cont'd) (e) Capital Assets

Capital asset acquisitions are included as expenditures in the statement of revenue, expenditure and accumulated excess of revenue over expenditure. For information purposes, capital assets except the cost of construction of roads and bridges, having an original cost greater than $2,500 ($10,000 for engineered structures and third party software development) are shown on the statement of financial position as physical assets at net book value with the offsetting credit to equity in physical assets. All land and other off the shelf electronic data processing equipment is capitalized.

The cost of capital assets shown on the statement of financial position is amortized to estimated salvage value at the following rates (rates and values expressed as a percentage of original cost):

	Annual Amortization			Estimated Salvage Value
	Year 1	Year 2	Year 3 and Thereafter	
	%	%	%	%
Mobile equipment	5.00	5.00	5.00	5.00
Buildings / Eng. structures	2.50	2.50	2.50	2.50
Automotive equipment	20.00	15.00	10.00	10.00
Machinery and equipment	6.67	6.67	6.67	6.67
Electronic data processing				
- Hardware	40.00	30.00	20.00	-
- Software	25.00	25.00	25.00	-

The portion of the cost of purchased land attributed to the value of gravel situated on the land, is amortized at the rate at which the gravel is excavated.

(f) Tangible Capital Assets

Effective January 1, 2007, The Board adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 2 (cont'd) (f) Prior to January 1, 2007, The Board previously recorded tangible capital assets including assets held under capital leases at cost in the period they were acquired on the statement of financial position and as an expenditure.

During 2008, The Board continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2008, The Board is compliant with PSG-7 in the following categories (Note 5); land, buildings, engineered structures, machinery and equipment, mobile equipment, EDP hardware, EDP software and vehicles.

A rate of amortization for the roads, land right of ways, bridges, water lines and wastewater lines is currently underway and is expected to be completed for presentation in the following format for the December 31, 2009 Financial Statements.

	Annual Amortization			Estimated
	Year 1	Year 2	Year 3 and Thereafter	Salvage Value
Roads	-	-	-	-
Land right of ways	-	-	-	-
Bridges	-	-	-	-
Water lines	-	-	-	-
Wastewater lines	-	-	-	-

A complete listing of assets and values for the roads, land right of ways, bridges, water lines and wastewater lines are currently underway and is expected to be completed for presentation in the following format for the December 31, 2009 financial statements.

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Capital Assets:				
Roads	$ -	$ -	$ -	$ -
Land right of ways	-	-	-	-
Bridges	-	-	-	-
Water lines	-	-	-	-
Wastewater lines	-	-	-	-
Capital Assets	$ -	$ -	$ -	$ -

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 2 (cont'd) (g) Pensions

The Board participates in two multi-employer defined benefit pension plans, the Management Employees Pension Plan and the Public Service Pension Plan. The Board accounts for its participation in these plans on a defined contribution basis. Pension costs included in these statements comprise of the cost of employer contributions for current service of employees during the year.

(h) Financial Instruments

The carrying value of cash, current accounts receivable, taxes receivable, amounts due to / from Province of Alberta, and accounts payable and accruals approximate fair value due to the short-term nature of these items.

All non-current accounts receivable are a result of binding contractual agreements. The carrying value of these non-current accounts receivable approximate their fair value.

The fair value of investments is disclosed on Schedule 1.

Note 3 Cash

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is composed of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at December 31, 2008, securities held by the Fund have an average effective market yield of 3.47% per annum (2007 - 4.41% per annum). It is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 4 Accounts Receivable, Net

Accounts receivable, net of applicable allowances for doubtful accounts of $88,261 (2007 - $94,474), are comprised of the following:

	2008	2007
Current:		
From sale of tax recovery land & related mineral surface leases	$ 463,902	$ 492,946
Accrued interest	79,100	89,950
	543,002	582,896
Secondary highway rentals	1,189,292	3,506,174
Sand and gravel	405,961	7,577
Accrued interest on investments	160,746	196,160
Leases	147,977	178,772
High speed wireless	168,897	173,450
Local improvement recoveries	99,891	83,122
Miscellaneous	682,428	570,392
	$ 3,398,194	$ 5,298,543
Non-current:		
From sale of tax recovery land and related mineral surface leases	$ 2,813,898	$ 3,247,376
High speed wireless	356,174	306,757
Other	432,408	215,468
	$ 3,602,480	$ 3,769,601

Secondary highway rentals are owed by one company and is supported by their agreement with Alberta Infrastructure.

Payment for tax recovery land sold and for the sales of related mineral surface leases may be made in installments over a period not exceeding ten years. An interest rate of 8% per annum is applied to tax recovery land sales I & II and 6% per annum to tax recovery land sale III that commenced in 2004. Title to tax recovery land sold (and related leases sold) is transferred from the Minister of Municipal Affairs to the purchaser after all payments have been received. If a purchaser defaults in payment, the agreement(s) for sale may be declared null and void and all monies received may be retained as liquidated damages.

The high speed wireless receivable is a result of The Board entering into a memorandum of agreement with an internet service provider to facilitate the delivery of high-speed internet to residents of the Special Areas. Certain equipment was offered for sale by The Board to the internet service provider at The Board's cost. Repayment terms will be based on network usage and a promissory note that will be signed upon completion of the joint project.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 5 Physical Assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Capital Assets:				
Mobile equipment	$ 17,170,786	$ 4,936,741	$ 12,234,045	$ 12,149,582
Buildings / Eng. structures	10,489,062	3,688,257	6,800,805	6,261,021
Automotive equipment	10,872,514	6,563,577	4,308,937	3,743,162
Machinery and equipment	3,337,036	1,814,996	1,522,040	1,311,030
Land	1,036,729	89,563	947,166	1,005,007
Electronic data processing				
- Software	1,284,420	1,137,720	146,700	215,474
- Hardware	1,103,436	923,697	179,739	294,894
Capital Assets	$ 45,293,983	$ 19,154,551	$ 26,139,432	$ 24,980,170

	Cost	Allowance for obsolescence	Net Book Value	Net Book Value
Inventory:				
Parts	$ 1,054,053	$ 10,541	$ 1,043,512	$ 1,017,271
Gravel	4,150,617	-	4,150,617	2,786,105
Culverts	88,451	-	88,451	103,878
Fuel	79,556	-	79,556	85,237
Fencing	61,188	-	61,188	79,060
Chemicals and other	12,479	-	12,479	22,299
Inventory	$ 5,446,344	$ 10,541	5,435,803	4,093,850
Total physical assets			$ 31,575,235	$ 29,074,020

Note 6 Deferred Provincial Grant Revenue

	2008	2007
Municipal Affairs and Housing	$ 565,168	$ 2,255,628
Transportation	105,996	88,597
Children and Youth Services	41,220	-
Agriculture and Rural Development	5,370	-
	$ 717,754	$ 2,344,225

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 7 Due to Province of Alberta, Net

The net amount due to the Province of Alberta is comprised of the following:

	2008	2007
Due from Province of Alberta:		
Transportation	$ 701,878	$ 254,297
Infrastructure	37,500	37,500
Agriculture and Rural Development	181,600	122,925
Finance	95,587	-
Other	8,730	25,160
	1,025,295	439,882
Due to Province of Alberta:		
Transportation	(4,413,383)	(1,373,840)
Environment	(208,235)	(206,374)
Other	(144,943)	(147,583)
	(4,766,561)	(1,727,797)
Due to Province of Alberta, net	$ (3,741,266)	$ (1,287,915)

Note 8 Long Term Loan - Alberta Capital Finance Authority (ACFA)

The Board has entered into two 10-year term loans with the AFCA bearing interest at 4.39% and 4.01% respectively). Semi-annual installments of $514,600 ($263,223 and $251,377 respectively), are due in June and December each year. The loan is for the purpose of providing financing for the upgrades to the seniors lodges in Oyen, Consort and Hanna and are issued on the credit and security of The Board at large. Repayments are as follows:

	Principal	Interest	Total
2009	$ 693,777	$ 335,424	$ 1,029,201
2010	$ 723,236	$ 305,965	$ 1,029,201
2011	753,949	275,252	$ 1,029,201
2012	785,968	243,233	$ 1,029,201
2013	819,350	209,851	$ 1,029,201
Thereafter	4,386,149	496,634	$ 4,882,783
Long term	$ 7,468,652	$ 1,530,935	$ 8,999,587

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 9 Provision for Gravel Pit Reclamation

The provision for gravel pit reclamation costs are estimates of future costs of restoring gravel pits to the standards required by the *Environmental Protection and Enhancement Act*.

There is uncertainty with respect to the measurement of the estimates. Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

Reclamation is ongoing and the uncertainty inherent in the provision will thus be partially resolved each year.

Note 10 Provincial Grants

	2008	2007
Municipal Affairs and Housing	$ 4,916,740	$ 472,174
Transportation	2,462,408	2,797,885
Agriculture and Rural Development	453,256	302,328
Environment	208,300	100,000
Children and Youth Services	122,171	122,171
Health and Wellness	118,346	132,139
Infrastructure	111,436	85,281
Tourism, Parks and Recreation	16,000	16,000
Employment and Immigration	4,095	5,539
	$ 8,412,752	$ 4,033,517

Note 11 Lease Revenue

	2008	2007
Mineral surface leases	$ 3,542,772	$ 3,521,439
Equipment rentals	1,376,120	3,386,479
Grazing leases	1,084,184	1,249,906
Community pastures	461,257	456,622
Cultivation leases	318,097	330,250
Other	555,212	490,921
	$ 7,337,642	$ 9,435,617

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 12 Other Revenue

	2008	2007
Proceeds on sale of capital assets	$ 2,225,988	$ 1,623,592
Sale of sand and gravel	1,164,670	142,553
Park permits and concessions	439,563	440,750
Municipal services cost recovery	250,775	199,286
License, permits, assignments and application fees	237,380	192,581
Fuel tax rebates	161,749	-
Oil well drilling taxes	112,013	139,918
Miscellaneous	538,067	759,319
	$ 5,130,205	$ 3,497,999

Note 13 Total Expenditure

Total expenditure for the year is analyzed by object of expenditure as follows:

	2008	2007
Materials, goods, and utilities	$ 12,722,058	$ 11,346,803
Manpower (Schedule 2)	11,728,574	10,850,617
Contract and general services	11,152,171	9,195,109
Capital assets acquired	6,191,818	6,258,457
Grants	3,858,151	2,075,866
Goods and services from Alberta Government departments		
Alberta Finance		
Risk Management	180,390	159,044
Investment fees	10,420	4,292
Alberta Municipal Affairs		
Linear assessment	91,218	86,629
Government Services	16,327	17,765
Industrial tax transfers	224,200	198,912
Interest on long-term debt	107,185	-
Provision for doubtful accounts	(739)	23,424
	$ 46,281,773	$ 40,216,918

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 14 Pension Plan

The Board participates with other employers in the Public Service Pension Plan ("PSPP") and the Management Employees Pension Plan ("MEPP"). These plans provide pensions for the Board's employees based on years of service and earnings.

Total current contributions by the Board in 2008 to the PSPP were $332,904 (2007 - $302,888) and to the MEPP were $170,587 (2007 - $152,895).

At December 31, 2007, the PSPP reported a deficit of $92,070,000 (2006 surplus - $153,024,000) and the MEPP reported a deficiency of $84,341,000 (2006 - $6,765,000). Figures as at December 31, 2008 are not available.

Note 15 Related Party Transactions

Expenditures for goods and services are conducted in the normal course of operations with the Province of Alberta and are billed to the Board as disclosed in Note 13.

Grants provided by the Province of Alberta are disclosed in Note 10 and the amounts outstanding at the end of the year are disclosed in Note 6.

During 2008, the Board received funds as agent for Alberta Environment amounting to $208,235 (2007 - $206,374), all of which is included as due to the Department at the end of the year.

Note 16 Administration Expenses

Accommodation costs for the offices at Hanna, amounting to approximately $70,000 annually, have not been included in the expenditures of the Board. The building is owned and operated by Alberta Infrastructure and all costs are recorded as expenditure of that Ministry.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 17 Tax Recovery Land Sales Reserve

Transfers to (from) tax recovery land sales reserve have been determined as follows:

	Phase I	Phase II	Phase III	Total
Land sales	$ 7,182	$ -	$ 991,600	$ 998,782
Transfers	-	(945,118)	-	(945,118)
Interest	-	(4,728,300)	-	(4,728,300)
	$ 7,182	$ (5,673,418)	$ 991,600	$ (4,674,636)

Phases I, II and III relate to proceeds from sales under the 1981, 1988 and 2004 tax recovery land sales policies respectively.

Phases I and III exclude interest revenue and have not been earmarked for specific expenditures.

Phase II includes interest earned under agreements for sale and investment interest earned on Phase II funds and is earmarked for future capital projects as authorized by the Minister of Municipal Affairs. Phase II reserves were expended during the year, therefore no investment interest was earned.

Note 18 Contractual Obligations

The Board has entered into twelve long-term operating leases for equipment. The future lease payments are as follows:

2009	$ 1,346,544
2010	1,346,544
2011	1,073,443
2012	477,825
	$ 4,244,356

The Board has also entered into a long-term gravel crushing contract in which The Board has committed to crushing 1,500,000 Tonnes from 2008 to 2013. Depending on conditions, an average of 300,000 Tonnes will be crushed annually.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

Note 19 Budget (unaudited)

The 2008 municipal budget was adopted by the Board and approved by the Minister of Municipal Affairs and Housing in January 2008.

Note 20 Comparative Figures

Certain 2007 figures have been reclassified to conform to 2008 presentation.

Note 21 Approval of Financial Statements

These financial statements have been approved by the Board.

Schedule 1

SPECIAL AREAS TRUST ACCOUNT
SCHEDULE OF INVESTMENTS
AS AT DECEMBER 31, 2008

	2008						2007
	Stated Interest Rate	Effective Interest Rate	Maturity Date	Par Value	Fair Value	Book Value	Book Value
Bonds:							
Bank of Montreal	7.000%	4.320%	January 28, 2010	$ 180,000	$ 188,465	$ 184,607	$ 183,898
Bank of Nova Scotia	4.515%	4.510%	November 19, 2008	-	-	-	700,000
Canada Housing Trust	4.100%	4.090%	December 15, 2008	-	-	-	960,185
Canada Housing Trust	3.550%	4.020%	March 15, 2009	-	-	-	1,750,980
Canada Housing Trust	3.750%	3.530%	March 15, 2010	1,500,000	1,547,625	1,503,464	3,514,820
Canada Housing Trust	4.050%	4.280%	March 15, 2011	3,150,000	3,322,242	3,135,051	3,123,246
Canada Housing Trust	3.950%	4.830%	December 15, 2011	1,100,000	1,166,187	1,074,577	1,065,953
Canada Housing Trust	4.000%	4.290%	June 15, 2012	3,560,000	3,791,151	3,528,496	2,558,578
Canada Housing Trust	3.600%	3.180%	June 15, 2013	3,760,000	3,983,419	3,828,702	-
Canadian Imperial Bank of Commerce	4.550%	4.710%	March 28, 2016	700,000	684,166	696,410	695,913
Government of Canada	5.500%	4.090%	June 1, 2010	520,000	552,947	529,561	535,330
Government of Canada	6.000%	5.920%	June 1, 2011	95,000	105,768	95,134	95,190
Government of Canada	3.750%	4.010%	September 1, 2011	1,800,000	1,913,724	1,788,699	1,784,452
Government of Canada	5.250%	4.030%	June 1, 2012	3,490,000	3,922,900	3,620,152	3,658,322
Province of Manitoba	6.250%	5.930%	September 1, 2009	400,000	413,536	400,690	401,724
Province of Ontario	5.700%	3.380%	December 1, 2008	-	-	-	754,906
Province of Ontario	6.100%	4.070%	November 19, 2010	500,000	539,765	517,276	526,467
Province of Ontario	6.100%	4.490%	December 2, 2011	700,000	774,130	728,918	738,846
Province of Quebec	5.500%	4.160%	June 1, 2009	-	-	-	284,784
Province of Quebec	6.250%	4.400%	December 1, 2010	1,750,000	1,895,338	1,805,425	1,834,405
Province of Quebec	4.250%	3.650%	September 1, 2009	800,000	879,712	855,494	-
Financement Quebec	5.750%	3.760%	December 1, 2008	-	-	-	477,966
Royal Bank of Canada	3.700%	4.190%	June 24, 2015	400,000	391,844	395,161	394,412
TD Bank	5.690%	5.020%	June 3, 2018	700,000	693,357	720,697	722,899
				25,105,000	26,766,276	25,408,514	26,774,276
Alberta Capital Finance Authority			(15 Shares)	150	150	150	150
				$ 25,105,150	$ 26,766,426	$ 25,408,664	$ 26,774,426

Note:

The Board, as part of its operations, carries these financial instruments. It is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Schedule 2

SPECIAL AREAS TRUST ACCOUNT
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008					2007	
	Number of Individuals (a)	Salary (b)	Other Cash Benefits (c)	Other Non-cash Benefits (d)	Total	Number of Individuals	Total
Chairman of the Special Areas Board	1	$ 142,896	$ 15,326	$ 35,232	$ 193,454	1	$ 179,974
Special Areas Board members	2	10,374	-	1,097	11,471	2	7,880
Director of Finance and Administration	1	105,069	11,648	26,629	143,346	1	134,341
Director of Municipal Services	1	104,271	11,032	7,700	123,003	1	117,400
Director of Properties Administration	1	104,271	6,028	26,469	136,768	1	131,682
Roads & Equipment Superintendent	1	93,327	10,024	24,264	127,615	1	80,166
Managers (e)	4	363,648	20,593	93,672	477,913	4	442,885
Other full time staff (f)	85.0	5,021,101	-	910,258	5,931,359	81.0	5,424,912
Part time and casual wage staff		3,933,398	-	477,069	4,410,467		4,304,861
Other Boards and committees		47,583	-	2,432	50,015		39,852
Advisory Councillors	13	24,060	-	505	24,565	13	19,808
Increase (Decrease) in vacation accrual		98,598	-	-	98,598		(33,144)
		$ 10,048,596	$ 74,651	$ 1,605,327	$ 11,728,574		$ 10,850,617

(a) Number of individuals consists of full time equivalents, except for Special Areas Board members and Advisory Councillors.

(b) Salary includes regular base pay.

(c) Other cash benefits includes bonuses, lump sum payments, honoraria and vacation payouts.

(d) Employer's share of all employee benefits and contributions or payments made on behalf of employees, managers and board members including Workers' Compensation Board, Canada Pension Plan, Employment Insurance, camp allowances, pension, health care, dental coverage, out of country medical benefits, membership fees, group life insurance, accidental death and dismemberment insurance and long-term disability plan.

(e) Average salary is $90,912 and average benefits (column c & d) are $28,566 totaling $119,478 (2007 - $110,722).

(f) Average salary is $59,072 and average benefits are $10,709 totaling $69,781 (2007 - $66,974).

Alphabetical List of Entities' Financial Statements in Ministry 2008-09 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Access to the Future Fund	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance and Enterprise
Alberta Capital Finance Authority	Finance and Enterprise
Alberta Energy and Utilities Board[1]	Energy
Alberta Enterprise Corporation[2]	Advanced Education and Technology
Alberta Foundation for the Arts	Culture and Community Spirit
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance and Enterprise
Alberta Heritage Savings Trust Fund	Finance and Enterprise
Alberta Heritage Scholarship Fund	Finance and Enterprise
Alberta Heritage Science and Engineering Research Endowment Fund	Finance and Enterprise
Alberta Historical Resources Foundation	Culture and Community Spirit
Alberta Insurance Council	Finance and Enterprise
Alberta Investment Management Corporation[3]	Finance and Enterprise
Alberta Livestock and Meat Agency[4]	Agriculture and Rural Development
Alberta Local Authorities Pension Plan Corporation	Finance and Enterprise
Alberta Pensions Administration Corporation	Finance and Enterprise
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance and Enterprise
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance and Enterprise
Alberta Social Housing Corporation	Housing and Urban Affairs
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks and Recreation
Alberta Treasury Branches	Finance and Enterprise
Alberta Utilities Commission[1]	Energy
ATB Insurance Advisors Inc.	Finance and Enterprise
ATB Investment Management Inc.	Finance and Enterprise
ATB Investment Services Inc.	Finance and Enterprise
ATB Securities Inc.	Finance and Enterprise
Child and Family Services Authorities:	Children and Youth Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Climate Change and Emissions Management Fund[5]	Environment
Credit Union Deposit Guarantee Corporation	Finance and Enterprise
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Rural Development	Agriculture and Rural Development
Department of Children and Youth Services	Children and Youth Services
Department of Culture and Community Spirit	Culture and Community Spirit
Department of Education	Education
Department of Energy	Energy
Department of Finance and Enterprise	Finance and Enterprise
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Housing and Urban Affairs	Housing and Urban Affairs
Department of Municipal Affairs	Municipal Affairs
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks and Recreation	Tourism, Parks and Recreation
Energy Resources Conservation Board[1]	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance and Enterprise
Government House Foundation	Culture and Community Spirit
Historic Resources Fund	Culture and Community Spirit
Human Rights, Citizenship and Multiculturalism Education Fund	Culture and Community Spirit
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Aboriginal Relations[6]	Aboriginal Relations
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Rural Development	Agriculture and Rural Development

Alphabetical List of Entities' Financial Statements in Ministry 2008-09 Annual Reports (Continued)

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Children and Youth Services	Children and Youth Services
Ministry of Culture and Community Spirit	Culture and Community Spirit
Ministry of Education	Education
Ministry of Employment and Immigration[6]	Employment and Immigration
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council[6]	Executive Council
Ministry of Finance and Enterprise	Finance and Enterprise
Ministry of Health and Wellness	Health and Wellness
Ministry of Housing and Urban Affairs	Housing and Urban Affairs
Ministry of Infrastructure[6]	Infrastructure
Ministry of International and Intergovernmental Relations[6]	International, and Intergovernmental Relations
Ministry of Justice[6]	Justice
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[6]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, and Recreation	Tourism, Parks, and Recreation
Ministry of Transportation[6]	Transportation
Ministry of the Treasury Board[6]	Treasury Board
N.A. Properties (1994) Ltd.	Finance and Enterprise
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance and Enterprise
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs
School Boards and Charter Schools:	Education
Almadina School Society	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	

Alphabetical List of Entities' Financial Statements in Ministry 2008-09 Annual Reports (Continued)

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance and Enterprise
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
The Wild Rose Foundation	Culture and Community Spirit

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	*Ministry Annual Report*
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance and Enterprise
Long-Term Disability Income Continuance Plan - Bargaining Unit	Treasury Board
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Treasury Board
Management Employees Pension Plan	Finance and Enterprise
Provincial Judges and Masters in Chambers (Registered) Pension Plan	Finance and Enterprise
Public Service Management (Closed Membership) Pension Plan	Finance and Enterprise
Public Service Pension Plan	Finance and Enterprise
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance and Enterprise
Supplementary Retirement Plan for Public Service Managers	Finance and Enterprise
Workers' Compensation Board	Employment and Immigration

Footnotes:

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[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

[2] The Act was proclaimed and came into force on December 5, 2008.

[3] Began operations July 1, 2008.

[4] Incorporated on January 29, 2009

[5] Began operations July 1, 2007.

[6] Ministry includes only the departments so separate financial statements are not necessary.

Note to Readers:

Copies of this annual report are also available on the Alberta Municipal Affairs website or by contacting:

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